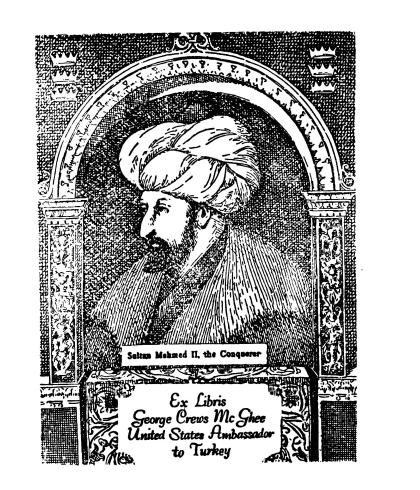
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# OTTOMAN PUBLIC DEBT.

# SPECIAL REPORT

ON THE

# OTTOMAN PUBLIC DEBT

FOLLOWED BY A

TRANSLATION OF THE ANNUAL REPORT
OF THE

# COUNCIL OF ADMINISTRATION

FOR THE

THIRTY-NINTH FINANCIAL PERIOD

(1st MARCH, 1920, to the 28th FEBRUARY, 1921)

BY

SIR ADAM BLOCK, K.C.M.G.

(REPRESENTATIVE OF THE BRITISH AND DUTCH BONDHOLDERS).

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The Gregorian Calendar came into use in Turkey on 1st March, 1917, and consequently the financial year, which previously ran from 14th March to 13th March, now ends on the 28th February.

## SPECIAL REPORT, 1920-1921.

#### General Remarks

THE Council's Report for the year 1920/21 does not call for much comment on my part. As in the immediately preceding years the situation is far from satisfactory.

Hostilities between Turkey and the Allies ceased at the end of 1918, to be succeeded by an Armistice which has lasted nearly as long as the war itself, and whilst Peace with the Allied Powers is as yet unsigned, Anatolia is still the scene of military operations between the Nationalists of Angora and Greece. Under such conditions all hopes of the financial and economic regeneration of the country are out of the question.

As Anatolia, in the year under review, was completely separated from the Constantinople Government in fiscal matters, and as the Authorities of Angora employed for their own use the receipts from the Revenues ceded by the Turkish Government to the Bondholders, the Council of the Debt has had to rely chiefly on the receipts available in Constantinople and the adjacent districts.

The Central Administration has no accounts from its provincial branches and it is not possible to state exactly the amount of Revenue of which the Bondholders have been and are being still deprived. Since the evacuation of Cilicia by the French Army, the Adana Revenues are also lost.

As shown in the Council's Report, the Revenues of Konia, Angora, Erzeroum, Sivas, Seerdt and Trebizond have ceased since 1920. By comparison with former years the sum lost up to date may be estimated at, say, £T16,000,000.

It is asserted that it is intended later to reimburse to the Debt Administration the sums thus "borrowed"; but it is known that the present Revenue of the country under the authority of the Angora Nationalists, even including the Bondholders' Revenue, is hardly sufficient to carry on the Administration under prevailing war conditions. It is somewhat difficult to give any estimate as to how and when the debt is to be discharged, the more so as the general Revenues of the country must for a long time feel the effect of the prolonged unsettled state of affairs.

Since the Decree of Muharrem was signed in 1881 this is the first time that there has been a systematic infringement of the conditions of that Arrangement, even though in the last forty years the country has experienced much trouble both internally and externally and the financial difficulties of the Government have been from time to time almost insurmountable. It is a matter of regret that the authorities in Anatolia should have felt obliged to resort to such a measure which even in the late war Turkey refrained from adopting. This failure on the part of the Nationalist Authorities to keep the solemn engagements entered into by the Turkish Government with the Bondholders cannot fail to impair the credit of the Country.

Gross and Net Receipts. The comparison between the receipts of 1920/21 and those of 1919/20 shows an increase in both the gross receipts and net receipts in favour of the former year. I give the usual Table of Gross and Net Receipts since the Unification in 1903.

|           |       |        |     | Gross Receipts. | Net Receipts.   |
|-----------|-------|--------|-----|-----------------|-----------------|
|           |       |        |     | £T              | £T              |
| 1903/4    |       | •      |     | 2,921,983.81    | 1,079,205.51    |
| 1904/5    |       |        |     | 3,050,569.46    | 2,493,476:52    |
| 1905/6    | • ,   |        |     | 3,230,073.62    | 2,657,556.95    |
| 1906/7    |       | •      |     | 3,244,423.70    | 2,653,209.93    |
| 1907/8    | •     |        |     | 3,938,103.19    | 3,308,465.07    |
| 1908/9    |       |        |     | 4,199,570.14    | 3,558,461.15    |
| 1909/10   | •     | •      |     | 4,551,726.64    | 3,906,298.75    |
| 1910/11   | •     |        |     | 4,797,462.98    | 4,066,311.97    |
| 1911/12   |       | •      |     | 5,090,836.16    | 4,126,598.56    |
| 1912/13   |       | •      |     | 4,552,686.88    | 3,743,334.39    |
| 1913/14   |       | •      |     | 5,436,164.87    | 4,385,914.16    |
| 1914/15   |       | •      |     | 3,627,913.04    | 2,888,087:99    |
| 1915/16 ( | paper | currer | ıcy | 2,868,156:11    | 2,157,375·35(1) |
| 1916/17   | ,,    | ,,     |     | 3,632,691.93    | 2,755,446.14(1) |
| 1917/18   | ,,    | ,,     |     | 6,087,494.98    | 4,644,852.10(1) |
| 1918/19   | ,,    | ,,     |     | 6,830,303.72    | 4,791,005.72(1) |
| 1919/20   | ,,    | ,,     |     | 11,782,952.68   | 7,766,838.20(1) |
| 1920/21   | ,,    | ,,     |     | 12,622,445.99   | 8,187,375.25(1) |
|           |       |        |     |                 |                 |

Revenues.

Any increase on 1919/20 is due to the better yield of the Tobacco Revenue, the Customs, and Treasury Operations. All the Revenues under the direct Administration of the Council are down except the Fisheries Revenue.

The Salt Revenue (gross) shows a decrease of 2.17%, the Stamp Revenue of 1.60%, the Spirits Revenue of 31.94%,

| (1) | The average ratio | of | the | T | urk | is <b>h</b> | gold | l po | und ' | to paper for :— |
|-----|-------------------|----|-----|---|-----|-------------|------|------|-------|-----------------|
| ` ' | 1915/16           |    |     |   |     |             |      | was  | 105   | piastres.       |
|     | 1916/17           |    |     |   |     |             |      | ,,   | 148   | ,,              |
|     | 1917/18           |    |     |   |     |             |      | ,,   | 399   | 11              |
|     | 1918/19           |    |     |   |     |             |      | ٠,   | 458   | 1,              |
|     | 1919/20           |    |     |   |     |             |      | ,,   | 429   | ,,              |
|     | 1920/21           |    |     |   |     |             |      | ٠,   | 537   | ,,              |

the Silk Revenue of 29.84%, whilst the Fisheries Revenue is better by 21.56%.

On the whole there is a decrease of 9.04% in the Revenues directly administered by the Council.

The total Gross Receipts (£T12,622,445) are higher than the preceding year by £T839,493, or 7.12% (See Annex No. 1 to the Council's Report). The Receipts were £T1,622,445 higher than the estimate I made last September (£T11,000,000).

I estimate the Gross Receipts for the year 1921/22, the accounts of which are not yet complete, at only £T11,250,000, and the Net Receipts at £T7,250,000, being a decrease in the Net Revenues of, say, £T450,000.

In August, 1921, the Turkish Government, at the request of the Debt Council, decreed the increase of the fiscal price of Salt by 300%. The fines, which are in proportion to the selling price, are also automatically trebled.

For infractions by shipowners of the Regulations regarding the transport of foreign Salt, a Decree is under consideration for increasing the fine by 500%. It is also proposed to quintuple the present 50 para permit for every 270 drams of Table Salt.

These measures are estimated to produce the following increases in the Revenue in a whole year:—

| SALT.                   | Three Years' Average. | New<br>System.            | Increase.                 |
|-------------------------|-----------------------|---------------------------|---------------------------|
| Fiscal Price Fines, etc | £T . 981,435 . 6,400  | £T<br>3,181,435<br>22,420 | £T<br>2,200,000<br>16,020 |
| Total .                 | . 987,835             | 3,203,855                 | 2,216,020                 |

Salt.

Stamps

For a long time past the Council of the Debt has been pressing for a modification of the existing Stamp Law. The proposed new law was submitted to a Mixed Commission composed of the experts of the Debt Council and the representatives of foreign Chambers of Commerce and Maritime Chambers, as well as of certain foreign Banks. The Council, foreseeing that the application of this new law would for various reasons be postponed, elaborated a fresh draft consisting of fourteen Articles with the object of increasing the duties which, owing to the depreciation of the currencies, had in some cases become ridiculously small. draft was approved by the Mixed Commission, but the Allied High Commissioners did not see their way to accept it as far as their Nationals were concerned. After further negotiations, however, the High Commissioners stated they were now prepared to accept the previous project on condition that the proportional Duty, which the Debt Council had proposed to double, should not be increased. This law has therefore been submitted to the High Commissioners, and accepted. As soon as it comes into force the fixed duties will be increased by 500% and the proportional duty will only be charged on Debentures, Shares, and Bonds of Foreign Loans.

The tariff of Surcharged Stamps will be doubled. It may be estimated that the increase in the Stamp Revenue from this new Law will amount to £T800,000.

It is clear that if Turkey is to be in a position to balance Receipts and Expenditure as well as to meet its engagements towards foreign investors, it is indispensable and urgent that it should have the same faculty as other States to increase in a reasonable measure existing taxes. The Stamp Tax is one which weighs chiefly on the leisured

classes, on commerce, finance, etc., and does not fall on the poor.

The modifications proposed are not in reality an increase of the Tax, the depreciation of the currency is as seven to one, and the Debt Council has restricted itself to doubling and in some cases quadrupling and quintupling the former pre-war fixed Stamp Duty. It will still be less than it was when the duty was paid in gold.

With regard to doubling the proportional Stamp Duty, it might be said that this is unnecessary in view of the fact that by the nature of the Tax it is automatically adjusted by the increase in prices; but this has not prevented other countries from increasing the proportional Stamp Duty. For instance, in France it has been raised from  $\frac{1}{2}\%$  to 2%, that is to say it has been quadrupled. In Italy it has been very considerably increased in various ways.

It would appear only fair that in Turkey also the Tax should be increased, and the law should be applied in its entirety to the foreign commercial community, for it should not be forgotten that, although foreigners are subjected to payment of the Stamp Duties, the right of the Debt Council to carry out verifications in foreign and commercial institutions has hitherto been denied.

Spirits.

In the Report of the Council under the heading of Revenue from Spirits will be found a succinct account of the difficulties the Council has met with in the collection of the Tax thereon.

The loss to the Bondholders has been considerable, and as an instance it may be estimated that by the action of the Foreign Powers in authorising the withdrawal of Spirits from the Customs without payment of Tax thereon, the Administration has lost almost £T2,000,000.

The Greek Authorities at Adrianople have also declined to recognise post-war legislation in respect of this Tax. The present situation is that the Laws of 1918 and 1920 have been abrogated and the Council has had to return to the antiquated system of 1918, that is to say that Turkey is at present unable to raise any fresh Revenue from an increase in the Spirits Revenue.

In view of what has happened in this respect in other countries the treatment thus accorded to Turkey would appear to be unjustified. The drink question in Turkey has certainly assumed an aggravated form since the war, and apart from purely fiscal advantages there can be no doubt that the application of intensified duties on Spirits would have a beneficial effect on the health and welfare of the population. The Council will continue to the best of its ability its endeavours to obtain the consent of the Foreign Powers to the increase of this most important Revenue and to its assessment on a fairer and more modern basis.

Owing to the difficulties above-mentioned the receipts from this source in 1921/22 will probably be considerably inferior to the receipts of 1920/21.

Fisheries.

The Council of the Administration has suggested to the Ottoman Government the advisability of increasing the rate of certain permits and licences required by the present law. It is not intended to make any change in the Taxes levied on the sale of Fish, and as the bulk of the Revenue is obtained from this source any increase or decrease in the receipts will continue to depend on the quantity of the catch and prevailing prices.

In the year under review there was an abundance of Fish, but prices nevertheless continued to rise. The receipts of 1920/1921 therefore were superior to those of the preceding year in spite of the fact that the Revenue from Anatolia was lost to the Administration.

Silk.

The mere comparison of receipts from year to year does not give a clear idea of the progress or decline of the Silk industry in Turkey.

The receipts from the Tithe on Silk are on the increase. The total receipts in 1335 (1919/20) were, for old and new Revenues together, £T181,667, or an increase of £T8,621 on that of 1334 (1918/19), of £T28,506 on that of 1333 (1917/18), of £T33,056 on that of 1332 (1916/17), and of £T41,058 on that of 1331 (1915/16), which was the lowest of the years of the war. They are, however, little superior, if at all, to the quinquennial period (1910-1915), which was on a gold basis.

But this improvement in receipts does not necessarily imply any improvement of the Silk industry.

The production of cocoons has fallen. Before the war the prices were stable and increase in receipts at that time did imply an increase in production.

The fall in production, commenced in 1910 owing to unfavourable climatic conditions, was accentuated in the Balkan war period, and still more in the years of the late war. From 1903 to 1908 the production oscillated between sixteen and eighteen millions of kilos. of cocoons, a vast improvement on that of 1888, when the Tithe in its entirety was first ceded to the Administration. The decrease in production and increase in receipts since 1915 is due to the fact that the value of Silk has very considerably advanced. As the effects of the war disappear prices may be expected to fall and an increase in the Revenue in the future cannot therefore be anticipated.

The causes of the fall in production are patent:—1. Shortage of labour, due to conscription, deportations, etc. 2. Destruction of nurseries, etc., which have disappeared with the villages and hamlets. 3. Destruction of mulberry plantations, cut down for firewood and consumed by cattle. 4. General insecurity. An approximate estimate made in 1919 shows the reduction of population to be about 25%. The same percentage of nurseries has been destroyed, and the mulberry plantations have diminished by 60%. Matters are even worse now, much of the country having been ravaged by both present belligerents. Such is the case in the districts of Yalova, Kara Moussal, Sabandja, Pazar Keuy, Ortakeuy, Tchenghiler, Seuleuss-Muslim, Bilédjik, etc., viz. on both sides of the Anatolian Railway to Eski-Chehir.

The egg incubation and spinning factories have suffered from the same causes.

In 1903 the number of boxes of silkworm eggs was over a million; eight hundred persons were employed in the industry. In 1914, in spite of territorial losses, Turkey produced more than 765,000 ounces of eggs; but in 1917 only 53,000 were produced, in 1919, 101,000 boxes and in 1920 only 78,000 boxes. There are to-day only about one hundred workers in this industry. The danger is that the foreign market, which was freely supplied by Turkey, is being lost. The spinning factories in Turkey numbered 130 in 1906 (not including the Lebanon, where there were 170), and in 1910 to 1914 they increased to 160. To-day there are only fifty. At Brussa alone there were forty-six in 1910. In 1921 they were reduced to twenty-nine and in 1922 to twelve.

If I have perhaps unduly extended my remarks on the

Silk Revenue it is because it may be taken as an example of the losses suffered generally by the country owing to the prolongation of hostilities in Anatolia. The Debt Council is powerless. It has given £T15,000 per annum for a number of years to encourage sericulture. Gratuitous distribution of mulberry plants and of eggs, as well as of plant, have been made, but it is doubtful whether the beneficiaries have been able to profit therefrom.

Of the Silk controllers, who numbered thirty-five in 1909, only twenty-four remained at the date of the Armistice, and to-day there are only eleven. (See Annex A.)

The Silk industry of Turkey is thus on the down-grade. When the country is pacified there may be an improvement, but it is doubtful if and when the prosperity of the years 1903 and 1909 will return. It takes six months to build a spinning factory, six years to restock a mulberry plantation, but how many years will it require to bring back the populations to their former number and vigour?

Tobacco.

In my last Report I stated that negotiations were proceeding for fixing the amount of the royalty to be paid by the Régie Company and arriving at a fair basis for the evaluation and distribution of the profits. I am glad to state that, after prolonged negotiations with the Government and the Régie Company, an agreement was signed in February of this year regulating the Seventh and Eighth Financial Periods of the New Concession, that is to say the years 1920/21 and 1921/22.

During the thirty years of the first agreement with the Régie Company the average shares of the three interested parties were as follows: the Government 5%, the Ottoman Public Debt 78% and the Régie Company 17% of the Net Revenues. In 1913 a new convention was signed with the

Régie Company for a period of fifteen years. The basis of this arrangement was to secure for the Debt Administration a minimum of 70% of the Net Receipts. By the transactional agreement of the 24th of February, 1921, the Council however only secured an average of 46% of the Net Receipts, over the period of the first six years of the New Convention. By the arrangement of February of this year the Council again obtains for the seventh year 46%, whereas, had the agreement of 1921 been applied, the share of the Debt would have been only about 35% of the Net Receipts.

As soon as Peace is signed it will be necessary to readapt the clauses of the present Concession.

In my opinion there is no doubt whatsoever that the whole of the Tobacco Revenue belongs to the Bondholders and is ceded to them in its entirety, and if it has been found of advantage to farm the Concession out it cannot be admitted that the share of the Bondholders in the Net Receipts should fall below 70% or 75%, or that they should suffer at the expense of the Government and the Company. The Government interests, indeed, are identical with those of the Bondholders, since, in accordance with the terms of the Decret Annexe of 1903, any surplus in the receipts from the Ceded Revenues over and above the annuity required for the service of the Unified Bonds and Lottery Bonds is divided between the Bondholders and the Government, 25% going to the Ordinary Sinking Fund and 75% in cash to the Government. At the time when the Tobacco Revenue was first farmed out the Government was given a share in the net profits, in order to obtain the assistance of the local Authorities in suppressing contraband throughout the Provinces; but now that the Government is already interested in the increase of the General Revenues of the

Debt Council it would appear to be superfluous to offer the Government a second inducement to assist in the collection of the taxes by giving it a considerable proportion of the net profits of the Régie Company. This should have been taken into consideration when the new concession was granted to the Régie in 1913, and if ever the concession is again renewed this point will have to be considered.

The dividend to the Shareholders is now 30 francs per share of 200 francs.

The Régie Company has, like the Debt Council, lost its receipts in Anatolia, the Nationalist Authorities having laid hands on the Tobacco Revenue in the Anatolian districts.

Customs Surtax.

Now that the Porte has reverted to the ad valorem system an increase may be expected in this Revenue. The present duty is 11% ad valorem on all imports, with a few exceptions, and, of the 11%, 3% belongs to the Bondholders. stagnation in trade which has prevailed since 1919 seems at the moment of writing to have reached bottom, and in the last few weeks there has been a slight increase of imports. Nothing very favourable can be expected until trade with Anatolia has been resumed and until the unsettled conditions existing in Turkey and the neighbouring States change for the better, but in any case the ad valorem system will in the present circumstances produce more than was the case under the very incomplete and out-ofdate specific tariff which was previously in force. is a good deal required to be done at the Customs before the Government can obtain the best results of the ad valorem system. The Council of the Debt has a small Staff at the Customs, but it has little authority. When it is said that there are agents in Constantinople who

are prepared to contract for the withdrawal of goods at an over-all charge of 7%, including the duty, it is evident that there is a serious leakage somewhere. It is in the interests of the Turkish Government to improve the quality of the Staff at the Customs, to exercise a better control and to see that its officials are paid a living wage.

Expenditure of the Debt Council.

The Expenditure of the Administration is again unfortunately on the increase, owing to the depreciation of the currency on the one hand and the increase in the cost of living on the other. Such increase is inevitable; but the Council is giving its closest attention to the question of its Staff. As far as possible economies will be effected either by the reconstruction of the various services or by the reduction of its personnel. A certain number of officials have already been placed on the Pension List or half-pay, and in the course of the present year various reforms will be put into execution which will conduce to keeping expenditure within the least possible limits. In 1920/21 the number of officials was reduced from 3,742 to 3,032.

Reserve Fund. The interest earned by the Reserve Fund does not now figure in the receipts.

In 1919/20 the interest amounted to £T110,538·15. In 1920/21 the interest, viz. £T48,999·56, was applied towards bringing the Reserve Fund up to its fixed amount of £T2,000,000, since, owing to depreciation, the value of the securities has fallen far below the cost figure of £T1,862,826 or their nominal value of £T1,983,572. This procedure will be followed until the Reserve Fund attains its proper value.

Payment of Coupons.

As stated in my Report of last year, the funds at the disposal of the Council enabled it last year to make a

payment of 1s. 3d. per coupon from March 1915 to March 1920 inclusive, and a similar percentage in francs was paid to the Lots Turcs.

The funds now in hand, including the net receipts of 1920/21 (£T8,187,375) and those encashed since, are sufficient to pay a further 9d. on account of these same coupons, thus making a total payment of 2s. 0d. per 8-shilling coupon, and to pay a sum of 6s. 0d. on the coupons of 1920/21 and 1921/22. This still leaves a small balance in hand, exclusive of the sums deposited during the war in Germany and Austria. With regard to these latter sums the Council is still pursuing the matter before the Clearing Houses established by the Treaty of Versailles for the adjudication of claims against Germany.

Thus, although the Anatolian Revenues are not available, and although the Council has experienced many other difficulties, amongst which are those arising from the Greek occupation of certain districts in Turkey, payment of the coupons on a 75% basis has been resumed.

Payment of Unified Coupons "Hors Decret." Although it has no connection with the Council of the Ottoman Public Debt, which is charged with the service of the Unified Debt and Turkish Lottery Bonds only, it is worth while recording that the Committee for the Protection of French holders of Ottoman Bonds, acting in conjunction with the "Association Nationale des Porteurs Français de Valeurs Mobilières" of Paris, has recently made an arrangement with the Turkish Government whereby a payment on account of the coupons from 1914 to 1920 on the Loans outside of the Decree of Muharrem was offered to the holders out of the funds in the Ottoman Bank earmarked for that purpose.

The Loans affected are the 4% 1890 (Osmanieh), 5% 1896, 4% 1901-1905, 4% 1904, 4% 1908, 4% 1902 (Customs), 4% 1909 and 5% 1914.

An important feature of the arrangement is that all the Bondholders alike are to be paid a sum exclusively in French francs on account of the above-mentioned coupons, and to receive a Certificate for the balance also payable in French francs. In the case of Bondholders outside of France payment is to be made at the rate of exchange ruling at the time such payment is effected. I give herewith a Table showing the Loans, the nominal value of the coupon and the sum paid on account (Annex B).

The only remark I feel called upon to make with regard to the arrangement is that whilst there may be an advantage in receiving a small payment on account it is evident that unless the Bondholders' consent is previously obtained no Turkish Minister of Finance can modify the terms of the Loan contracts or of the Bond and oblige a Bondholder to accept payment in francs when it is clearly stipulated that the coupon is payable at the option of the holder in sterling.

This is not a matter, however, which concerns the Debt Council. As I have stated above the service of these Loans does not appertain to it, and the Council was not consulted in the matter.

Reconstitution of the Council. In accordance with the XVth Article of the Decree of Muharrem the five years' mandate of the representatives of the Bondholders on the Council of Administration terminated on the 28th February of this year. My French colleague, Monsieur des Closières, Honorary Director of the National Association of the French Bondholders, who replaced Monsieur Sallandrouze de Lamornaix on the 1st of March, 1921, was re-elected, as well as my Italian colleague, Monsieur Nogara, and Colonel J. Procter representing the Imperial Ottoman Bank.

The Council of Foreign Bondholders did me the honour to re-elect me for the fifth time as representative of the British and Dutch Bondholders.

Since the Treaties of Versailles and St. Germain the German and Austrian Delegates no longer form part of the Council of the Debt.

Economic Situation of the Country. The economic situation in 1920/21, as well as in the period onwards up to date, has been distinctly discouraging.

Turkey's import and export trade with Europe has steadily diminished, as may be seen from the Table Annex C, showing the operations at the Customs House in 1913/14, in 1918 and from March, 1920 to 1922. The Transit Trade has suffered from the disturbed state of Russia and the state of the Caucasus and from the poverty and unsettled conditions prevailing in the Balkan States. In Constantinople itself large numbers of refugees, Russian, Turkish, Greek and others, have been and are still supported by State and private charity.

To the factors mentioned above may be added the high cost of living (1,000% of pre-war prices), the depreciation of the currency and the instability of the exchanges. The rate of exchange on London since March, 1920, has fluctuated between 405 to 600 piastres to the pound sterling, and stands to-day at 700. I annex a Table D, showing the exchange rates month by month, on London since January, 1919, and a Table E of the movement of the Turkish pound (gold) and of the cost of living for the period 1917—1921.

The only remedy for this unfortunate state of affairs is the restoration of peace with the Western Powers and the union of Anatolia with the Government of Constantinople. In the meantime reports from up-country state that the crops of this year are good, but the prolonged state of war and the conscription of the male population, together with the destruction of many villages and the shifting of large numbers of the population, accompanied by great distress and loss of life, must render the recuperation of the rich agricultural districts of Anatolia extremely problematical, at any rate for some time to come.

Turkish Government Finance. Last year I stated in my Report that the British, French and Italian members of the Council of the Debt had been asked, in September, 1920, to act as a Provisional Financial Commission for controlling the Revenue and Expenditure of the Government of Constantinople. It must be clearly understood that the control is not a control in the English sense of the word, since the Financial Commission has no authority to impose any measures on the Turkish Government with a view to economies in the Budget nor to modify existing fiscal legislation. The so-called control is merely a check on Treasury operations, and the Commission, although it has been able to a certain extent to persuade the Turkish Government to accept its unofficial advice, must repudiate all responsibility for the present condition of the Government's finances.

The Ministry of Finance has itself made little effort to balance receipts and expenditure, and whilst every country in Europe is striving to cut down expenses, such a policy has not yet recommended itself to the Sublime Porte.

In spite therefore of the efforts of the Provisional Financial Commission there was a deficit last year of £T9,720,000, which would have been greater had not the High Commissioners and the Financial Commission ren-

dered valuable aid in providing certain extraordinary resources. The Civil and Military Officials received but seven months' pay in the year, the unpaid salaries amounting to £T6,270,000, and unless drastic measures are adopted there is every likelihood that this state of things will continue.

The one satisfactory point to be noticed is that the Turkish Government has not had recourse to the Printing Press to provide for its needs, and the paper currency to-day is at the same figure as at the date of the Armistice.

In conclusion it seems to me that any pecuniary assistance which the Powers may desire to afford to the Central Government should be made conditional on a serious reduction of the number of officials, and on the adoption of a more rigorous control in the Customs Department and in the other Revenue-collecting Departments of the State.

Peace Negotiations in relation to Turkish Finance. In the Treaty of Sèvres provision had been made for the establishment of a general control of the Financial Administration of Turkey. The privileged position of the Bondholders was confirmed.

At a Conference held in Paris in March of this year the Allied Powers were prepared to make just and even generous concessions in the hope that the Turkish Government, including the Angora Authorities, would definitely agree to the conclusion of Peace.

One of these concessions was the proposed modification of the financial clauses of the Treaty of Sèvres. The extensive control, provided for in that Treaty, considered by the Allied Powers as essential for the regeneration of Turkey, was objected to by the Turkish Delegates in London in the preceding year as an infringement of the sovereign rights of the country. The Allied Powers, therefore, whilst maintaining the rights of the Bondholders under existing arrangements, expressed their willingness to abandon all idea of control of the financial administration in general, at the same time confirming their claims to reparation for loss and damage arising out of the war. It was proposed to create a commission of liquidation to which should be accorded the control of certain Revenues as security for the payment of such reparation in a certain number of years.

As a further concession Turkey was to be allowed considerable modification of the Economic Clauses of the Capitulations, thus obtaining a very large measure of fiscal independence.

Whether or not Turkey would in this manner succeed in restoring its finances is a moot point, but the Powers preferred to let things run their course rather than insist on the establishment of a control which appeared unacceptable to Turkey and a bar to the conclusion of an early Peace. There the matter still rests.

In the meantime, as there is no Peace and no Treaty, no progress has been made in respect of the payment of the "Contributive Parts" in the Turkish External Debt, to be paid to Turkey, as provided for in the Treaty of Sèvres, by most Powers who have taken over the territories detached from Turkey.

Turkey's Foreign Debt. I annex a Table F, showing the situation of the External Debt of Turkey on the 1st of March, 1922.

June, 1922.

ADAM BLOCK.

ANNEX A.

#### GENERAL STATISTICAL TABLE OF THE SERICULTURAL INDUSTRY IN TURKEY.

|  |   |  |   | <del></del>  | ,   |
|--|---|--|---|--|---|
| Year.  | Total<br>Revenue.   | Production of<br>Cocoons (not<br>including the<br>Lebanon).  | Production<br>of Silkworm<br>Eggs in<br>Turkey (in<br>boxes of 25<br>Grammes).  | Spinning Factories in<br>Turkey.<br>Number.  | Number of Inspectors.   |
| 1298—1882<br>1299—1883<br>1300—1884<br>1301—1885<br>1302—1886<br>1303—1887<br>1304—1888<br>1305—1889<br>1306—1890<br>1307—1891<br>1310—1894<br>1311—1895<br>1312—1896<br>1313—1897<br>1314—1898<br>1315—1899<br>1316—1900<br>1317—1901 | £T 18,951·63 21,972·45 24,657·86 23,237·10 31,909·01 34,717·38 29,890·82 69,028·04 90,096·43 82,758·45 100,775·89 119,706·80 88,776·79 84,137·56 98,312·20 83,738·40 112,346·14 153,408·09 116,278·78 |  | Turkey (in<br>boxes of 25   | blishment at Brussa of the first steam-driven spin-<br>7, with 32 pans, dates from 1833. In 1910 Brussa<br>6 steam factories, having in all 2,522 pans. During<br>I War 15 were completely destroyed and others were<br>smaged. In 1921, of the remaining 29, 20 were in<br>grand were working. These produced, in 1921, 1,200<br>R (100 kilos). Formerly Brussa produced 5,000 to | During 1903 the manner of rearing of silkworm eggs was open to choice. However, the conscientions silkworm egg-producer had already adopted the Pasteur System for the selection of their silk- |
| 1318—1902<br>1319—1903<br>1320—1904<br>1321—1905<br>1322—1906<br>1323—1907<br>1324—1908<br>1325—1909<br>1326—1910<br>1327—1911<br>1328—1912<br>1329—1913   | 1 130,469·48<br>181,681·13<br>144,317·32<br>206,343·14<br>194,015·08<br>249,942·36<br>199,407·10<br>233,257·74<br>180,295·42<br>183,622·00<br>98,120·14   | 11,250,000<br>16,000,000<br>14,900,000<br>16,500,000<br>17,000,000<br>18,000,000<br>18,038,000<br>15,320,000<br>10,811,000<br>10,983,000<br>7,157,000<br>7,762,000 | 946,033<br>1,238,567<br>876,322<br>827,970<br>1,031,891<br>1,162,081<br>1,230,000<br>1,103,989<br>1,236,581<br>840,020<br>799,942 | 162 with 9,700 pans 162 , 9,700 pans 162 , 9,700 , 162 , 9,700 , 168 , 9,500 , 158 , 9,500 , 158 , 9,500 , 9,500   | 222<br>25<br>31<br>31<br>33<br>34<br>35<br>35<br>35<br>35<br>34<br>34   |
| 1330—1914<br>1331—1915<br>1332—1916<br>1333—1917<br>1334—1918<br>1335—1919<br>1336—1920<br>1337—1921   | 60,248·88<br>40,204·83<br>48,611·01<br>153,161·44<br>173,046·82<br>181,667·37<br>198,294·05<br>136,456·00<br>(Estimate)   | 3,516,000<br>2,942,000<br>2,208,000<br>1,521,000<br>1,340,000<br>1,133,000<br>532,556(1)<br>1,000,000<br>(Probable)<br>1,000,000<br>(Probable)                     | 765,986<br>408,921<br>254,168<br>92,499<br>127,606<br>86,734  | 158 ,, 9,500 ,, 80 with 4,440 pans 84 ,, 4,560 ,, 52 ,, 2,720 ,,   | 34<br>33<br>27<br>25<br>24<br>21<br>19<br>11  |

(1) Information is lacking regarding the districts under the authority of the Angora Authorities.

The principal Silk-producing centres in the hands of the Angora Authorities are the following:—

Ada-Bazar (86,000), Kuplu (65,000), Yalova (36,000), Gueivé (28,000), Kara-Hissar (38,000), Saratchli (32,000), Amassia (28,000), Biledjik (28,000). The total production may be estimated at 440,000 Kilos.

<sup>(2)</sup> While at Guemlek in 1920 they had made 33,162 boxes; in default of a market a number of boxes had to be destroyed. To prevent a repetition of this in 1921 the Silkworm egg-producers made only 8,862 boxes.

<sup>(3)</sup> A large production is expected on account of orders given by the French Consortium in preparation for a large export to the Caucasus.

ANNEX B.

| Coupons, 1890 Osmanie         Coupons falling due or Bond.         Nominal value of each Coupon or Bond.         Nominal value of Each Coupon or Bond.         Iver share of Taxes.           Coupons.         2 1890 Osmanie  |                                       | of<br>Ds.      |             |         |          | _            | _     |       |         |        | -             |             | _      |
|--|---------------------------------------|----------------|-------------|---------|----------|--------------|-------|-------|---------|--------|---------------|-------------|--------|
| Coupons, or Drawings.         Nominal value of each Coupon or Drawings.         Nominal value of each Coupon or Drawings.           Coupons.         March 1915 to March 1920         10·00           1896         Jan. 1915 to Jan. 1920         10·00           1901–1905         Jan. 1915 to Jan. 1920         10·00           1908         Jan. 1915 to Jan. 1920         10·00           1908         Jan. 1915 to Jan. 1920         10·00           1909         May 1915 to May 1920         10·00           1890         May 1915 to May 1920         12·50           Amortisations.         Feb. 1915 to June 1919         500·00           1896         June 1915 to June 1919         500·00 | unt to pay<br>er payment<br>axes.     | Per share      | 36-8        | 48.4(   | 31.3     | 30.8<br>30.8 | 25.3( | 11.50 |         | 35.76  |               | 169.00      | 174.00 |
| Coupons.  Coupons.  Coupons.  Coupons.  Coupons.  Coupons.  Coupons.  B90 Osmanié  | Gross amo<br>in cash aft<br>of J      | Per<br>Coupon. | 3.35        | 4.40    | 2.85     | 5.80         | 2.30  | 1.05  | 0.35    | 3.25   |               | <b>:</b>    | :      |
| Coupons falling due  Coupons.  Coupons.  Coupons.  Coupons.  Coupons.  B90 Osmanié   | Nominal value of each Coupon or Bond. |                | 10.00       | 12.50   | 10.00    | 10.00        | 10.00 | 10.00 | 10.00   | 12.50  |               | 200-00      | 200-00 |
| Coupons.  1890 Osmanié   |                                       |                |             | 1920    | 1920     | 1920         | 1920  | 1920  | 1919    | 1920   |               | 1920        | 1919   |
| Coupons.  1890 Osmanié   | falling due<br>or<br>wings.           |                | to March    | to Jan. | to Jan.  | 0            | 0     | 0     | to Dec. | to May |               | 0           | 0      |
| Coupons.  1890 Osmanié   | Coupons<br>Dra                        |                | 1915        | 1915    | 1915     | 1915         | 1915  | 1915  | 1914    | 1915   |               | 1915        | 1915   |
| Coupons. 1896 . 1901–1905 1904 . 1908 . 1909 . 1914 . Amortisations.   |                                       |                | March       | Jan.    | Jan.     |              |       |       | Dec.    | May    |               |             |        |
| Coupons. 1896 . 1901–1905 1904 . 1908 . 1909 . 1914 . Amortisations.   |                                       |                | •           | •       | •        | •            | •     | •     | •       | •      | ***           | •           | •      |
| Coupons. 1896 . 1901–1905 1904 . 1908 . 1909 . 1914 . Amortisations.   |                                       |                | •           |         | •        | •            | •     | •     |         | •      |               | •           | •      |
| Coupons. 1896 . 1901–1905 1904 . 1908 . 1909 . 1914 . Amortisations.   |                                       |                | •           | •       | •        | •            | •     | •     |         | •      |               | •           | •      |
| Coupons. 1896 . 1901–1905 1904 . 1908 . 1909 . 1914 . Amortisations.   | s,                                    |                | •           | •       | •        | •            | •     | •     | •       | •      |               | •           |        |
| %% %%%%%%<br>%% %%%%%%   | LOAN                                  | oupons,        | 890 Osmanié | 968     | 901-1905 | 904          | 806   | _     | •       | 914    | mortisations. | 890 Osmanié | 968    |
| का की की की की की की   |                                       |                | 4% 1        |         |          |              |       |       |         |        | ~             | 4% 1        | 5% 1   |

## ANNEX C.

### EXTERNAL TRADE OF TURKEY.

### IMPORTS

|                  | 1329 (1913/14) (¹)  |  | 1334 (1918) (¹)  |   | 1335 (1919) (²)  |   | 1336 (1920) (2)  |   | 1337 (1921) (²)   |   | 1338 (1922) (³)   |  |
|------------------|---|--|--|---|--|---|--|---|---|---|---|--|
| NAME OF COUNTRY. | Quantity.   | Value.   | Quantity.  | Value.  | Quantity.  | Value.  | Quantity.  | Value.  | Quantity.   | Value.  | Quantity.   | Value.   |
| Austria          | Kilos. 245,980,365 123,723,010 12,284,662 89,162,585 500,416,096 124,270,173 149,733,202 6,227,125 25,353,564 98,227,747 49,600,092 (*) 14,485,189 260,504,521 343,107,154 (*) 17,204,428 (*) 53,004,198 47,166,080 | £T. 5,991,240 1,799,698 263,257 1,394,939 7,922,627 3,501,291 4,570,264 135,894 609,999 2,029,795 2,630,608 64,728 930,810 1,888,154 3,427,771 114,765 132,978 278,214 1,053,109 1,135,946 | Kilos. 19,922,344 19,672 722,709 5 3,037,400 2,612 62,700,289 2,567 8,307 1,933 753 67,335 10,556,104 11,953,374 118 225,948 3,146 965,701 | £T. 6,262,977 1,718 199,609 15 52,342 2,242 9,916,859 6,204 266,901 220 202 43,158 1,326,984 1,278,208 379 2,125,522 68 298,298 | Kilos.  1,386,522 265,020 5,505,543 4,435,023  12,144,193 31,740,521 5,548,463 55,697,795 9,978,181 2,781,875  17,956,382 2,137,076 222,391 4,464,830 13,543,148 3,204,258 865,351 225,973 30,309,247 12,239,800 | \$T.  598,282 149,086 791,901 1,052,177 5,131,160 26,693,264 7,848,413 1,150,304 5,703,193 818,433 18,465,969 802,540 420,563 361,260 2,286,869 5,010,507 343,201 1,412,619 8,085,063 5,637,572 | Kilos.  3,845,400 11,175,152 18,650,796 8,067,114 25,484,806 46,443,428 26,093,139 668,619 20,941,435 12,979,237 31,253,346 3,183,494 215,505 32,549,415 25,431,579 1,765,213 2,309,996 857,298 134,585,855 23,189,607 | #T. 2,324,41 3,885,174 1,450,30 3,210,23 6,608,91 48,685,40 20,294,21 57,79 4,438,27 5,444,12 25,696,203 1,832,924 752,646 2,504,018 5,845,799 2,514,854 575,592 865,826 25,953,811 6,455,733 | Kilos.  412,169 19,127,116 61,205,533 8,009,661 375,970 44,631,211 60,019,129 22,166,749 962,102 21,227,735 20,469,134 4,861 25,832,271 212,688 707,523 282,411 69,342,436 4,586,638 832,432 2,821,003 564,642 131,329,121 194,095 15,212,218 | 238,186<br>6,582,051<br>6,503,276<br>2,371,208<br>493,007<br>7,177,630<br>27,433,419<br>11,787,501<br>485,385<br>3,534,160<br>7,294,777<br>2,411<br><br>13,407,382<br>249,044<br>2,329,433<br>44,482<br>5,990,494<br>1,311,617<br>702,182<br>713,684<br>493,543<br>19,182,764<br>166,634<br>2,835,273 | Kilos.  851,538 6,447,433 16,355,287 1,658,255 691,479 4,067,372 13,446,073 12,453,062 1,170,801 6,874,834 5,425,887 30 12,792,507 20,998 59,285 1,248 10,292,059 584,052 34,658 223,309 20,405 21,431,773 270,311 15,952,421 | £T.  244,047 1,027,613 1,531,734 286,446 206,096 500,727 3,006,112 1,634,549 470,302 302,478 1,321,165 5 1,728,256 32,919 124,826 3,217 1,415,804 306,087 29,791 70,663 31,224 2,722,481 132,321 1,041,598 |
| TOTAL            | 2,160,450,191   | 39,876,087   | 110,190,317  | 21,781,906  | 214,651,592  | 92,762,376  | 429,690,434  | 169,396,267   | 510,528,848   | 121,329,543   | 131,125,067   | 18,170,461   |

#### EXPORTS.

|   | 1329 (1913/14) (1)   |   | i 1334 (1918) (¹)   |   | 1335 (1919) (²)   |   | 1336 (1920) (²)  |  | 1337 (1921) (2)  |   | 1338 (1922) (3)   |  |
|---|--|---|---|---|---|---|--|--|--|---|---|--|
| NAME OF COUNTRY.  | Quantity.  | Value   | Quantity.   | Value.  | Quantity.   | Value.  | Quantity   | Value.   | Quantity.  | Value.  | Quantity.   | Value.   |
| Austria Belgium Bulgaria The Caucasus Czecho-Slovakia Egypt England France Germany Greece Holland Hungary India Italy Japan Persia Poland Roumania Russia Spain Sweden Switzerland The United States Yugo-Slavia (Serbia) | Kilos. 78,371,861 57,618,863 26,150,361 175,334,597 298,333,262 135,898,014 72,647,845 15,736,687 27,346,852 95,911,729 43,298,132 3,632,957 63,129,252 49,778,289 (*) 22,310 (*) 83,444,881 (*) | #T.  2,787,979  526,045  244,694   2,119,379  4,761,680  4,246,194  1,574,571  237,679  464,452  314,383  1,097,977  83,081  612,583  856,316  156,850  1,503  6,397  2,163,377  3,443  1,428,265 | Kilos. 13,521,723 963,357 5,490 45,068,905 685,633 264 122,790 1,689,427 25,485 608 2,542,535 | £T. 5,666,570 332,165 2,471 18,141,453 110,134 13 83,847 311,082 9,557 1,112 79,015 | Kilos.  1,027,328 625,751 2,665,379 432,134 944,612 12,650,105 7,171;157 1,121;596 2,388,989 4,291,721 2,145,561 18 5,044,682 8,172,081 15,484 559,218 299,181 5,405,380 48,011,371 | £T.  298,415 416,932 1,382,801 416,620 567,067 6,839,432 3,478,570 254,089 732,374 3,392,008 1,933,833 20 2,521,390 6,220,864 5,489 501,491 300,402 4,988,487 4,177,378 | Xilos.  32,635 329,500 4,392,182 4,695,374 2,330,967 5,521,537 2,083,149 216,682 6,089,165 4,238,362 7,566,740 1,067 7,274,914 2,997,277 114,625 50,525 45,846 3,154,598 121,713,010 | \$T.<br>37,495<br>230,905<br>3,067,432<br>5,438,480<br><br>1,669,992<br>4,084,390<br>2,539,999<br>264,749<br>2,871,161<br>4,778,537<br><br>2,744,628<br>1,524<br><br>8,987,583<br>3,125,825<br>124,279<br>44,960<br>15,077<br>2,857,496<br><br>4,741,370 | Kilos.  8,868 873,009 4,724,748 5,122,651 160 5,285,647 6,143,222 1,913,942 663,955 6,895,173 2,807,259 20,932 7,652,668 992 15,669 6,697,942 1,518,565 232,369 88,843 183 1,966,412 50,596 82,240,353 | #T.  19,182 512,414 1,734,816 4,442,197 308 1,428,767 2,140,613 2,101,879 515,577 3,021,531 2,308,275 17,500 1,782,378 375 24,688 4,459,513 973,295 27,080 123,768 1,631 1,257,289 44,255 3,442,482 | Kilos.  375,507 520,557 844,143 1,889,672 3,211,101 6,935,113 9,582,603 169,453 5,570,146 1,106,474 10,703,224 4,885 3 779,364 510,392 55,147 412 29 673,947 202,761 23,499,220 | \$T.  386,074 109,694 303,857 579,193 597,962 685,042 1,022,708 117,601 149,108 476,625 423,668 5,008 170,696 184,821 11,850 654 76 422,406 32,759 929,861 |
| Sundry Countries  Total   | 1,343,213,251  | 23,686,848  | 64,626,217  | 24,737,419  | 102,971,748   | 38,427,672  | 172,848,155  | 47,625,882   | 134,924,158  | 30,379,813  | 66,634,150  | 6,609,663  |

<sup>(1)</sup> For these years the figures given are for the whole Empire.
(2) For these years the figures given are for the City of Constantinople only.

<sup>(\*)</sup> These figures represent the Exports from the City of Constantinople during the first quarter of the year only.

(4) The Customs Statistics do not show the quantities of goods exported to these countries.

| Percentage of therise in the cost of tiving  | The increase in the cost of living and the rate of exchange of the Turkish Gold Round.  at  Constantinople. |   |  |  |   | Percentuge of the risein the cast of Tiving. Rule of exchange of the Turkish hold Pound.   |
|--|---|---|--|--|---|--|
|  | 1917  | 1918  | 1919   | 1920   | 1921  | £T   |
| 0/0  | January March March May July July August September October November   | January March May May Anne Angust Seplembe November             | January March March March Mus July August September October Wovember | Tunaary<br>Varih<br>Mary<br>Mary<br>Angust<br>September<br>Newmber | Estruary March May June June September Tology Tology Tology Tology                        | % 825  |
| 2500<br>2400<br>2400<br>2200<br>2100<br>2100<br>2100<br>1900<br>1900<br>1800<br>1500<br>1400<br>1300<br>1400<br>1300<br>1400<br>1300<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400<br>1400 |   |   |  |  | Percentage of the rise in the cost of laving  Rate of exchange of the Turkish Gold Pound. | 2300       800         2400       775         2300       750         2200       725         2100       700         2000       675         1900       650         1800       625         1700       600         1500       525         1300       500         1200       475         1000       425         900       400         800       375         700       350         400       325         500       300         400       275         300       250         200       225         100       200 |
| 200   N<br>175   | uary vary ch ii. ii. y rne ty gast tober ember  | cander vaary sraary arch oril lay rane nely lagust nely netober | December January Morch April Agant September September December      | Janaary Harch May Jane Jala Gagust Septemba October December       | January Edrady March April May Jaky August Septembe October November                      | 150  |
| 150  | Nam   | 1918  | 19   | 1920   | 1921  | 123  |

#### GENERAL TABLE OF OTTOMAN LOANS.

#### SITUATION ON THE 1st OF MARCH, 1922.

| · NAME OF LOAN.  | Date<br>of<br>Issue.  | Rate<br>of<br>Interest.                               | Rate<br>of<br>Amortisation.  | Nominal<br>Capital.  | Amortisation on<br>28th February,<br>1922.<br>(¹)   | Nominal Capital<br>in circulation on<br>1st March, 1922.  | OBSERVATIONS.  |
|--|---|---|--|--|---|---|--|
| Loans coming under the Decree of Muharrem of 8/20 Dec. 1881 and the Decret Annexe of 1/14 September, 1903:                   | Year  | %   | %  | £T   | £T  | £T  | <ul> <li>(1) The figures are established on the basis of information obtained by the Administration of the O.P D.</li> <li>(2) Bonds drawn at the drawings are considered as withdrawn from circulation whether re-imbursed of not.</li> </ul> |
| Converted Unified Debt   | 1903<br>1870  | 4   | 0·4644<br>   | (3) 42,275,772<br>15,632,548   | 5,847,182<br>5,522,232  | 36,428,590<br>10,110,316  | (3) Including £T9,537,000 representing the nominal converted Capital of the Priority Bonds.  |
| Total  |   |   |  | 57,908,320   | 11,369,414  | 46,538,906  |  |
| Loans not coming under the Decree of Muharrem but whose service is assured by the Administration of the Ottoman Public Debt: |   |   | į  |  |   |   |  |
| Osmanie 4% 1890  | 1890<br>1896<br>1903<br>1903<br>1904<br>1901—05<br>1905<br>1908<br>1908<br>1914<br>1913 | 4<br>4<br>4<br>4<br>4<br>4<br>4<br>5<br>5             | 1·00<br>0·50<br>0·50<br>0·087538<br>0·50<br>0·50<br>0·50<br>0·087538<br>0·087538<br>0·50<br>0·50<br>1·50 | 4,999,500<br>3,272,720<br>(*) 2,640,000<br>2,376,000<br>5,306,664<br>2,640,000<br>4,752,000<br>5,236,000<br>4,711,124<br>22,000,000<br>1,485,000 | 3,186,700<br>778,800<br>356,620<br>54,164<br>155,936<br>330,242<br>332,332<br>68,244<br>55,022<br>172,216 | 1,812,800<br>2,493,920<br>2,283,380<br>2,321,836<br>2,594,064<br>4,976,422<br>2,307,668<br>4,683,756<br>5,180,978<br>4,538,908<br>22,000,000<br>1,485,000 | 1903 4% LOAN, WITH SPECIAL GUARANTERS.  (4) Original Nominal Capital of the 1888 5% Loan   |
| Total  |   |   |  | 62,169,008   | 5,490,276   | 56,678,732  | -  |
| Loans outside the scope of the Administration of the Ottoman Public Debt:  Tombac Priority                                   | 1893  | 4   | 1.00   | 1,000,010  | 537,900   | 462,110   | Chamora 40/ Tours 1000   |
| 40 Millions of francs (Oriental Railways)  Customs 4% 1902  Customs 4% 1909  Hodeïda-Sanaa  Soma-Panderma  Customs 4% 1911   | 1894<br>1902<br>1909<br>1909<br>1910<br>1911  | 4<br>4<br>4<br>4<br>4                                 | 0·35<br>0·50<br>1·00<br>0·098738<br>0·16715<br>1·00  | 1,760,000<br>(5) 8,600,020<br>7,000,004<br>1,000,010<br>1,712,304<br>7,040,000   | 312,774<br>676,786<br>449,306<br><br>11,660<br>781,451  | 1,447,226<br>7,923,234<br>6,550,698<br>1,000,010<br>1,700,644<br>6,258,549  | CUSTOMS 4% LOAN, 1902.  (5) Original Nominal Capital of the 1886 5% Loan   |
| Total  |   |   |  | 28,112,348   | 2,769,877   | 25,342,471  | Total of Nominal Capital converted in 1902 on a 4% basis £T8,600.020   |
| Loans Guaranteed by the Government.  City of Constantinople, Municipal, 1909   | 1909<br>1913<br>1912  | 5<br>5<br>6   | 0·50<br>0·50<br>14·285   | 1,100,000<br>1,100,000<br>33,000   | 26,510<br>5,500<br>6,930  | 1,073,490<br>1,094,500<br>26,070  |  |
| TOTAL  |   | !   | ·  | 2,233,000  | 38,940  | 2,194,060   | r  |
| LOANS GUARANTEED BY THE EGYPTIAN TRIBUTE AND BY THE SURPLUS FROM THE CYPRUS RECEIPTS:  | 1055  |   |  |  |   |   | GUARANTEED LOAN 1855.  |
| Guaranteed Loan  | 1855<br>1891<br>1894  | $\begin{array}{c c} 4\\ 4\\ 3\frac{1}{2} \end{array}$ | 1·00<br>0·42<br>0·49   | (6) 4,196,720<br>6,948,612<br>9,033,574  | 1,683,000<br>1,933,998  | 4,196,720<br>5,265,612<br>7,099,576   | (*) Original Nominal Capital   |
| Total  |   |   | :  | 20,178,906   | 3,616,998   | 16,561,908  | Which has been amortised since 1876 but not reimbursed.  |
| Internal 5% Loan   |   |   |  | 17,977,600   | 126,480   | 17,851,120  |  |
| Total  |   |   |  | 188,579,182  | 23,411,985  | 165,167,197   |  |

#### ADMINISTRATION OF

## THE OTTOMAN PUBLIC DEBT.

## REPORT

OF THE

## COUNCIL OF ADMINISTRATION

CREATED BY IMPERIAL DECREE OF THE 8/20 DECEMBER, 1881.

THIRTY-NINTH FINANCIAL YEAR, 1920/1921. (1936.)

#### ADMINISTRATION

OF THE .

#### OTTOMAN PUBLIC DEBT.

#### REPORT

OF THE

COUNCIL OF ADMINISTRATION.

# Council of Administration OF THE OTTOMAN PUBLIC DEBT FOR THE FINANCIAL YEAR 1920/1921 (1336).

#### Presidency.

M. SALLANDROUZE DE LAMORNAIX.
(Delegate of the French Bondholders.)

#### Members.

SIR ADAM BLOCK, K.C.M.G.
(Delegate of the English and Dutch Bondholders.)

M. B. NOGARA.
(Delegate of the Italian Bondholders.)

HUSSEIN DJAHID BEY.
(Delegate of the Turkish Bondholders.)

J. PROCTER.

(Delegate of the Imperial Ottoman Bank.)

Imperial Commissary. His Excellency SAID BEY.

General Manager.
M. GEORGES ABONNEAU.

#### [TRANSLATION.]

### COUNCIL OF ADMINISTRATION

OF THE

#### OTTOMAN PUBLIC DEBT.

#### INTRODUCTION.

In accordance with the provisions of the Imperial Decree of the 8/20 December, 1881 (Decree of Muharrem), the Council of the Administration of the Ottoman Public Debt has the honour to submit to the Bondholders the Annual Report of the operations undertaken in virtue of the above-mentioned Decree and of the Décret-Annexe of 1/14 September, 1903, during the Thirty-ninth Financial Year (1836), that is to say, during the period comprised between the 1st of March, 1920, and the 28th of February, 1921.

The present Report, with 15 Annexes, is divided into three parts:—

- PART I.—GROSS RECEIPTS OF THE CEDED REVENUES AND PERMANENT ASSIGNMENTS.
  - .. II.—GENERAL EXPENDITURE.
  - ,, III .- NET REVENUE AND SERVICE OF THE DEBT.

Before proceeding to analyse the results obtained, it must be pointed out that the unfavourable conditions which prevailed during the preceding years have not improved in the period under review, and that the continuance of the state of war in Anatolia has prevented the resumption of communications between the Capital and the Provinces under the domination of the Angora Government. In comparing the results with other years it should be borne in mind that the receipts from these provinces are not shown in the accounts for the Thirty-ninth Period, whilst they do figure, either wholly or partially, in those of the preceding year. This is notably the case with regard to the receipts from Angora, Erzeroum, Konia, Seerdt and Sivas, which are almost entirely missing in 1920/21, whereas they figured almost in their entirety in 1919/20. For Trebizond, they figure from March to the end of July only. For Mossul and the Yemen certain arrears only have been taken into account. Lastly, for Bagdad, in the period under review as in the preceding, there is a total deficiency of receipts.

Notwithstanding these omissions, the receipts for the Thirty-ninth Financial Period exceed those of the preceding one, as follows:—

Total Gross Receipts 1920/21 (1836) . £T12,622,445·99 . . . . . . . . . . . £T839,493·31 equal to 7·12%.

If the receipts of Angora, Erzeroum, Konia, Seerdt and Sivas are deducted, which only figure in the Thirty-ninth Period for an insignificant amount, and a comparison is made between the receipts from the other districts only, the result is as follows:—

Total Gross Receipts 1920/21 (1336) . £T12,622,236·79 . . . . . . . . . . . £T11,488,926·90 equal to 18·37%.

This increase, which is somewhat remarkable under the

conditions at present prevailing, is due, as may be seen in Annex No. 1, to the increase in the Tobacco Revenue, to the income derived from the Customs Surtax, and to the profit on Treasury operations. On the other hand, with the exception of the Fisheries, there is a falling-off in all the Revenues under the direct control of the Council, Speaking generally, this is due to the loss of the Anatolian Revenues; and the fall would be still more marked had not the depreciation of the currency tended to maintain at a high figure the prices of all articles subject to taxation. (1)

All details concerning the Revenues administered by the Council are given under separate headings in this Report. It should be remembered that during this Financial Period there was no increase in the Taxes in force, and that as regards the Spirits Revenue, for reasons given at length in the chapter devoted to that Revenue, the Administration was only able to apply the laws of April, 1918, and January, 1920, in a very incomplete manner.

The Tobacco Revenue produced in 1920/21 £T2,782,186.82 as against £T2,448,535.76, being an increase of £T333,651.06, equal to 13.63%. An agreement was come to with the Régie Company with regard to a settlement of account for the seventh and eighth periods of the new concession, details of which are given under a special heading.

The Tobacco Tithe in 1920/1921 amounted to £T1,200,442.90 as against £T1,099,568.40 in 1919/20, being an increase of £T100,874.50, equal to 9.17%. The Council, as in former years, has encashed from this sum the amount of the fixed assignments, viz., £T100,000,

<sup>(1)</sup> The final results for the period more or less coincide with the estimate given in the Introduction to the last Annual Report.

in lieu of the Bulgarian Tribute and of £T130,000 to replace the Cyprus Surplus, and the balance, that is £T970,442.90, has been credited to the "Special Suspense Account with the Treasury."

The fixed assignment of £T114,019.74 in place of the "Eastern Roumelian Tribute," in conformity with arrangements come to on the 21/4th May, 1911, has been met from the surplus from the Tithes, the Sheep Tax, and from Sundry Revenues collected by the Ottoman Public Debt. The fixed assignment of £T50,000, representing the Tumbéki Tax, was paid by two drafts on the Customs Revenue.

As regards, 1, the fixing and payment to the Administration, in conformity with Article VIII. of the Decree of Muharrem, of the surplus due from the application of the New Patent Law; 2, the outstanding contributive parts of Bulgaria, Greece, Serbia and Montenegro provided for in the same article; and 3, the Indemnities due by the Balkan States as a consequence of the cession of territory to these States in 1913, the Council, in view of the present political situation, can only continue to formulate the same reserves as in the past.

The Customs Surtax produced £T2,050,884·46 as against £T1,852,694·38 during the preceding year, being an increase of £T698,190·08, equal to 51·61%. This notable increase arises exclusively from the sums encashed in Syria, the specific tariff remaining in force in the other Customs within the Empire. As regards the share in the receipts due to the Ottoman Public Debt from the duties collected by the Customs from January, 1918 (the date of the denunciation by the Government of the provisional agreement of June 1917, which provided for a distribution of the

receipts between the Government and the Debt Administration on a 50% basis) and the end of July, 1921 (the date of a new agreement), these sums will only be passed into account as and when the accounts are settled.

Under the heading "Interest of the Reserve Fund" no receipts are shown, the Council having decided, in conformity with the terms of Article VIII. of the Decree of Muharrem, to employ the interest for the reconstitution of this Reserve Fund, the value of which, as a result of the depreciation of the investments, is inferior to the sum of £T2,000,000 as stipulated in the Decree.

Again, no receipts are shown this year under the heading "Interest of the Tripoli Indemnity Fund," no coupons of the bonds in this Fund having been encashed, and the Council can but renew its protest respecting the subscription at par made during the war, for account of this Indemnity Fund, for a nominal amount of £T1,100,000 to bonds of the Internal Ottoman 5% Loan of 1918.

The General Expenses debited to the Conceded Revenues have risen from £T2,445,258.05 in 1919/20 to £T2,666,190.02 in 1920/21, being an increase of £T220,931.97, equal to 9.04%. This is due to an increase of salaries, which, owing to the high cost of living, the Council has been obliged to grant.

Under the heading "Expenditure" (1) figures a sum of £T509,651·16, which represents receipts in Palestine during the years 1917/18 (1333), 1918/19 (1334), 1919/20 (1335) and 1920/21 (1336), shown in the accounts of those years but withheld by the Occupying Power. The Council is obliged to formulate reserves, and has deducted the amount from the receipts of 1920/21. It should be remembered

<sup>(1)</sup> See Annex No. 5.

that, in accordance with the Peace Treaty to be concluded between Turkey and the Allied Powers, the States to which territory detached from Turkey is ceded will have to pay an annual contribution to the service of the Ottoman Debt.

After deducting all expenses, disbursements and reimbursements the Net Receipts for 1920/1921 amounted to £T8,187,375·25 against £T7,766,838·20 in 1919/1920, being an increase of £T420,537·05. As these receipts in paper currency at the present rate of exchange,(1) do not suffice for the integral payment of the coupons of the Converted Unified Debt and of the Turkish Lottery Bonds in pounds sterling, and in francs, the Council, as in the three preceding years, after crediting the Bondholders with the annuity of £T2,157,375·35 provided for by the Décret-Annexe, has carried the balance of £T6,029,999·90 to a "Special Reserve Fund" created to meet the loss on exchange arising from remittances abroad. This Special Reserve Fund, which, on the 29th of February, 1920, amounted to £T8,987,436·20 has thus been increased by £T6,029,999·90

less loss on exchange on sundry remittances to London and Paris during the period under review

2,933,554.69 3,096,445.21

and amounted at the end of February, 1921, to.

£T12,083,881·41

Thanks to the creation of this reserve, the Council, whilst at the same time submitting to the "Office de Verification

<sup>(1)</sup> The average depreciation in the value of the paper Lira throughout the year in its relation to the pound sterling was 76.50%, and to the franc 48.50%.

et de Compensation" the claim of the Bondholders to the valorisation of their property in marks existing in Germany for account of the Debt Administration, was able, towards the end of the Financial Period under review, in the manner already known to the Bondholders, to provide for a payment on account in pounds sterling of 15.625% on the eleven unpaid Coupons of the Unified Converted Debt from March, 1915, to March, 1920, inclusive, that is to say, 1s. 3d. for the eight-shilling Coupon.

The number of these Coupons was 17,113,170, and during the year a part payment on account as above was made on 7,437,599, namely £stg.464,849 18s. 9d.

In consequence of the repurchase (to the debit of the fund reserved and destined to the reimbursement of damaged Bonds) for account of the Extraordinary Sinking Fund of a nominal amount of £T88 of the Unified Converted Debt, the balance in circulation of this Loan on the 28th of February, 1921, was £T36,429,074, or £stg.33,117,340. The nominal capital in circulation of the Lots Tures, after deducting the Bonds drawn in 1920/21 and of 51 Lots Turcs repurchased, was, on the 28th of February, 1921, £T10,188,428·18, representing 1,283,850 Bonds. The premiums and amortisations of these Lottery Bonds are paid in francs at the current rate of exchange. of Turkish Lottery Bonds repurchased and conserved by the Administration on the 28th of February, 1920, consisted of 432,000 Bonds, having cost £T2,910,047.22.

During the Thirty-ninth Financial Period only the English, French and Italian Delegates and the Delegate of the Imperial Ottoman Bank took part in the deliberations of the Council.

By virtue of the terms of the Treaty of Versailles and of

St. Germain, which were ratified in 1920, the German and Austro-Hungarian Delegates ceased to be members of the Council of the Ottoman Public Debt.

April, 1922.

# NOTE ON THE PROBABLE RESULTS OF THE FORTIETH FINANCIAL PERIOD (1921/22).

From the incomplete accounts and telegraphic information received in Constantinople the estimated Gross Receipts for the Financial Period 1337, that is to say from the 1st of March, 1921, to the 28th of February, 1922,

| are estimated at            |   | . £T11,277,880 <sup>.</sup> 00 |
|-----------------------------|---|--------------------------------|
| against Receipts in 1920/21 | • | . 12,622,445.99                |
| being a decrease of         | • | . £T1,344,565·99               |

After deduction of the fixed annuity of £T2,157,375.35

for the service of the Unified Debt and the Turkish Lottery Bonds there will remain a balance of, say, £T5,574,700 to be carried to the account of the Special Reserve Fund instituted by the Council to cover the loss on exchange.

The above are the estimates for the Financial Year 1921/22 (1337) as far as they are now known in Constantinople. Although these are only approximate and are liable to modification, the Council has decided to communicate them to the Bondholders without waiting for the final Report dealing with that year.

April, 1922.

#### PART I.

#### REVENUE.

#### A .- REVENUES DIRECTLY ADMINISTERED BY THE COUNCIL.

#### Salt.

#### 1. Gross Receipts.

| • | . £T2,619,234·76 |
|---|------------------|
| • | . 2,677,326.64   |
|   | . £T58,091·88    |
|   |                  |

The Gross Receipts of the two periods above mentioned may be subdivided as follows:—

|   | 1920/21 (1336) | 1919/20 (1335) | Difference              | %     |
|---|----------------|----------------|-------------------------|-------|
| ~   | £T             | £T             | £T                      |       |
| Sales in Turkey<br>Reimbursement<br>of cost of Trans- | 1,088,270.53   | 1,456,256-94   | <del>- 367,986·41</del> | 25.27 |
| port, etc   | 1,530.964.23   | 1,221,069.70   | + 309.894.53            | 25.38 |
| Total   | 2,619,234.76   | 2,677,326 64   | - 58,091.88             | 2.17  |

The decrease of £T367,986·41 on sales is accounted for by the losses sustained by the Ottoman Public Debt in those districts which are under the administration of the Government of Angora, losses compensated for to a certain extent by an increase in the sales in those territories administered by the Allied Powers. The increase of £T309,894.53 in the amount reimbursed to the Administration for cost of transport, etc., is explained partly by a temporary increase in the tariff of charges and partly by the larger volume of sales in the mandated territories, especially in Syria.

2. Extraction.

The amount of Salt extracted was:—

|                                     | Rock Salt.    | Marine Salt.         | Total.                     |
|-------------------------------------|---------------|----------------------|----------------------------|
| In 1920/21 (1336) In 1919/20 (1335) | Tons. — 7,758 | Tons. 143,189 58,757 | Tons.<br>143,189<br>66,515 |
| Increase or decrease                | -7,758        | +84,432              | + 76,674                   |

Being an increase in the quantity of Salt extracted of 76,674 tons, or of 115.27%.

#### 3. Sales.

The quantities sold may be classified as follows:-

|  | 1920/21 (1336)                         | 1919/20(1335)                           | Difference.                  | °/•                 |
|--|--|---|------------------------------|---------------------|
| A. Sales in Turkey B. Sales for Export C. Sales in Samos and Crete | Kilos.<br>73,667,370<br>—<br>2,141,947 | Kilos.<br>119,715,388<br>—<br>3,671,896 | Kilos 46,048,018 - 1,529,949 | 38·46<br>—<br>41·67 |
| Total  | 75,809,317                             | 123,387,284                             | - 47,577,967                 | 38.56               |

As to the Gross Receipts the comparison of the two periods is as follows:—

|  | <b>192</b> 0/21(1336)                 | 1919/20 (1335)                        | Difference                     | v/o               |
|--|---------------------------------------|---------------------------------------|--------------------------------|-------------------|
| A. Sales in Turkey B. Sales for Export C. Sales in Samos and Crete | £T.<br>2,602,988·53<br>—<br>16,246·23 | £T.<br>2,661,393·37<br>—<br>15,933·27 | £T.<br>- 58,404·84<br>+ 312·96 | 2·19<br>—<br>1·96 |
| Total  | 2,619.234.76                          | 2,677,326-64                          | - 58,091:88                    | 2:17              |

#### (A) Sales in Turkey.

The Salt is sold at the Salt Pans, in the depots of the Administration and in the Railway Stations. The following Table gives details for 1920/21 (1336):—

|   | Quantity<br>Sold. | Fiscal<br>Prices. | Recovery<br>on<br>Transport<br>Expenses. | TOTAL        |
|---|-------------------|-------------------|--|--------------|
| Salt sold at the                                  | Kilos.            | £T.               | £T                                       | £T           |
| Salt sold at the<br>Salt Pans<br>Salt sold in the | 10,310,985        | 261,382.95        | _  | 261,382.95   |
| Depôts  | 56,419,185        | 748,093-56        | 1,395,877-61                             | 2,143,971.17 |
| Railway Sta-<br>tions                             | 6,937,200         | 69,372.00         | 128,262·41                               | 197,634-41   |
| Total   | 73,667,370        | 1,078,848-51      | 1,524,140.02                             | 2,602,988.53 |

that is to say, compared with the preceding period, a decrease in the sales in Turkey of 46,048,018 kilos, or 98.46%, and a decrease on the value of £T58,404.84, or 2.19%.

#### (B) Sales for Export.

No Salt was exported during the Thirty-ninth Period.

#### (c) Sales in Crete.

The sale in Crete of 2,141,947 kilos. of Salt for £T16,246.23 represents the winding-up of the business in this Island, where the Administration's contract for exploiting the monopoly has expired.

#### Stamps.

#### 1. Receipts.

| During     | the   | perio   | <b>d</b> : | 1920/21 | (1 | 336) | the | Stamp | Revenue   |
|------------|-------|---------|------------|---------|----|------|-----|-------|-----------|
| yielded    |       | •       |            | •       |    | •    |     | £T60  | 9,855.65  |
| as against | in 1  | 919/2   | 0 (        | 1335)   |    | •    | •   | 6     | 19,265·14 |
| being a de | ecrea | se of   |            | •       |    | •    |     | £T    | 39,909.49 |
| equal to 1 | .60%  | /<br>o* |            |         |    |      |     |       |           |

Of which the following is a detailed statement:-

|        |                   | 1920/1921<br>(1336) | 1919/1920<br>(1335) | Difference  | %      |
|--------|-------------------|---------------------|---------------------|-------------|--------|
|        | Fixed and propor- | £T.                 | £T.                 | £T.         |        |
| SC.    | tional            | 533,220.32          | 555,506.48          | - 22,286.16 | 4.01   |
| Stamps | Dry Stamping      | 9,306.10            | 8,546.26            | + 759.84    | 8.89   |
| Sta    | Bonds             | 31,586.26           | 12,404.65           | + 19,181.61 | 154.63 |
| 32     | Annual Licences   | 248.77              | 177.52              | + 71.25     | 40.13  |
| Old    | Railway Tickets   | 2,624.75            | 3,608.14            | - 983.39    | 27.25  |
|        | Sundries          | 34.50               | 46.65               | - 12.15     | 26.05  |
|        | Surcharge Stamps  | 32,334.95           | 38,975.44           | - 6,640.49  | 17.04  |
|        | Total             | 609,355.65          | 619,265.14          | - 9,909·49  | 1.60   |

The decrease thus shown in the Stamp Revenue is deceptive, since in the accounts of the previous period the receipts encashed in the Conscriptions (Bache Mudiriets) of Angora, Erzeroum, Konia, Seerdt, Sivas and Trebizond were included for an amount of £T81,723.27, whereas in the year under review the receipts of those Conscriptions, with the exception of Trebizond (£T13,443.98), are missing.

The real result, after eliminating the receipts in 1919/20 of those Conscriptions, is an increase in 1920/21 in the receipts of £T58,869.80, or 10.86%, in those districts still under the control of the Council.

2. Control.

Infractions discovered in 1920/21 (1336) and 1919/20 (1335):—

|  | 1920/2                      | 1 (1336).        | 1919/20 (1335).             |                  |  |
|--|-----------------------------|------------------|-----------------------------|------------------|--|
| Nature of Infraction.  | No. of<br>Infrac-<br>tions. | Fines.           | No. of<br>Infrac-<br>tions. | Fines.           |  |
| Omission of Stamps   | 6,687                       | £T.<br>17,536·10 | 9,841                       | £T.<br>18,878·38 |  |
| Insufficiency of Stamps  | 1,977                       | 7,995-25         | 1,442                       | 10,180-90        |  |
| Defective Stamping   |                             | _                | 6                           | 0.81             |  |
| Defective Cancellation   | 241                         | 63.52            | 546                         | 214.71           |  |
| Use of Improper Stamps .   | _                           | _                | 54                          | ! -              |  |
| Acceptation by Govern-<br>ment Officials of Docu-<br>ments irregularly stamped | 24                          | 22.00            | 6                           | 13.50            |  |
| Total  | 8,929                       | 25,616-87        | 11,895                      | 29,288·30        |  |

#### Spirits.

#### Receipts.

| The Revenue from Spirits     | proc | luced |                |
|------------------------------|------|-------|----------------|
| in 1920/21 (1336)            |      | •     | £T1,166,309·17 |
| as against in 1919/20 (1335) | •    | •     | 1,713,717·10   |
| being a decrease of          |      | •     | £T547,407·93   |
| equal to 31.94%.             |      |       |                |

The receipts are subdivided as follows:-

|                                    | 1920/21<br>(1336). | 1919/20<br>(1335). | Difference.        | %     |
|------------------------------------|--------------------|--------------------|--------------------|-------|
| Duties on Wines .                  | £T.<br>33,740·17   | £T.<br>20,130·96   | £T.<br>+ 13,609·21 | 67.60 |
| Duties on Alcohol and<br>Brandy .  | 622,621.21         | 1,240,415-41       | - 617,794.20       | 49.81 |
| " " Beer                           | 83,148.60          | 57,243.69          | + 25,904.91        | 45.25 |
| Total                              | 739,509.98         | 1,317,790.06       | - 578,280.08       | 43.88 |
| Total Receipts Syria and Palestine | 83,200.69          | 123,292-25         | _ 40,091:56        | 32.52 |
| Arrears encashed                   | 134,713.71         | 149,642.84         | - 14,929.13        | 9.98  |
| Total                              | 957,424.38         | 1,590,725.15       | - 633,300.77       | 39.81 |
| Béiyé (Sale Licences)              | 208,884.79         | 122,991.95         | + 85,892.84        | 69.84 |
| Total                              | 1,166,309.17       | 1,713,717·10       | - 547,407.93       | 31.94 |

The decrease shown above is principally due to the fact that the provisions of the Law of January, 1920, increasing the dues on Spirits fixed by the Law of April, 1918, could not be applied to Alcohols imported by foreign subjects, the Allied and Associated Powers refusing to recognise any modification of the pre-war fiscal régime. This opposition, which dated from the beginning of the period under review, obliged the Administration to suspend the application of the Law of 1920 to foreign subjects and to revert to the less heavy tax of 1918 as regards these Taxpayers.

This measure, however, did not satisfy the Representatives of the Powers, nor did it prevent the withdrawal from the Customs, by force, of a considerable quantity of Spirits, principally of Alcohols imported by foreigners, without payment of any duty.

The situation thus created continued until the 5th of February, 1921, when the Allied High Commissioners at Constantinople consented to the imposition of the Taxes of 1918 and of 1920 (1) on their subjects, with certain reservations. The Administration meanwhile suffered severely and lost nearly 50% of the fiscal dues on Alcohol and Spirituous Liquors.

On the other hand the receipts on Wine, despite a decrease in the quantity taxed—due to the general situation of the country—show an increase on those of the preceding year, as a result of the tax on Wines being increased from 15 piastres to 25 piastres the hectolitre.

The same applies to the receipts from Beer, the tax on which was doubled in January, 1920, although the quantity manufactured in the country had diminished as a result of the lack of communication with Anatolia and the competition of foreign Beers and Beers of local production.

It may be added that the receipts in general have also been unfavourably influenced by the situation prevailing in Anatolia, and by the prohibition of the manufacture, sale and consumption of Spirits decreed by the Government of Angora.

As regards the decrease shown in the general receipts from Syria and Palestine, where the pre-war regulations were duly applied, this is due to the fact that the prices forming the basis for the collection of the Tax for the year 1920/21 were not fixed in Palestine until May, 1921, and consequently a large proportion of the receipts were carried forward to the following year.

The important increase in the Licence dues (béiyé) results from the continued increase in rents and to the opening of a constantly increasing number of public-houses owing to the military occupation of various parts of the country.

<sup>(1)</sup> This conditional approval was again revoked by the Allied High Commissioners on the 1st of August, 1921.

Wines.

The comparison of Wines registered for taxation by the Administration is as follows:—

| _                                | 1920/21.<br>(1336).               | 1919/20<br>(1335).          | Difference.               |
|----------------------------------|-----------------------------------|-----------------------------|---------------------------|
| Wines produced from fresh grapes | Litres.<br>4,648,981<br>4,728,396 | Litres. 6,586,821 4,574,803 | Litres1,937,840 + 153,593 |
| Total                            | 9,377,377                         | 11,161,624                  | -1,784,247                |

It is thus shown that the manufacture of Wine decreased in 1920/21 by 1,784,247 litres, that is to say by 15.99%.

#### Alcohol and Alcoholic Beverages.

The comparison between the two periods reviewed of the amount of Alcohol of 100 degrees taxed is shown as follows:—

| 10110 115.                 |          |                  |            |
|----------------------------|----------|------------------|------------|
| Alcohol of 100 degrees to  | axed in  | 1920/21          |            |
| $(1336) \qquad . \qquad .$ |          | . Litres         | 3,253,320  |
| Alcohol of 100 degrees to  | axed in  | 1919/20          |            |
| (1335)                     |          |                  | 9,395,841  |
| being a decrease of .      |          | . Litres         | 6,142,521  |
| equal to 65.37%, notwiths  | tanding  | the increased q  | uantity of |
| Alcohol imported from ab   | road, wh | ich is due solel | y to much  |

#### Beer.

of this Alcohol having escaped taxation as above-mentioned.

| The quant     | ity of | Beer   | taxed | l in 1 | 920/2 | 1 |                  |
|---------------|--------|--------|-------|--------|-------|---|------------------|
| (1336) was    |        |        |       |        | •     | • | Litres 8,752,284 |
| as against in | 1919   | /20 (1 | .335) |        | •     |   | 10,864,979       |
| being a decre | ase of | ŧ      | •     | •      |       | • | Litres 2,112,695 |

equal to 19:44%, of which the following is a detailed statement:—

|                  | 1920/21<br>(1336). | 1919/20<br>(1335). | Difference.  |
|------------------|--------------------|--------------------|--------------|
|                  | Litres.            | Litres.            | Litres.      |
| Adana            | 67,794             | 38,259             | + 29,535     |
| Adrianople       | 4,037              | 54                 | + 3,983      |
| Brussa           |                    | 122                | _ 122        |
| Constantinople . | 7,683,972          | 10,232,187         | -2,548,215   |
| Konia            | _                  | 768                | <b>–</b> 768 |
| Smyrna           | 993,678            | 593,589            | + 400,089    |
| Trebizond        | 2,803              | _                  | + 2,803      |
| Total            | 8,752,284          | 10,864,979         | -2,112,695   |

#### Importation and Exportation.

The only statistics available apply to the Capital. They show the following Imports and Exports with the provinces and other countries for the period 1920/21 (1336) and 1919/20 (1335):—

| Quantity Imported    | 1920/21            | (1336)               | 1919/20 (1335)     |                      |  |
|----------------------|--------------------|----------------------|--------------------|----------------------|--|
| into Constantinople. | Alcohols           | Wines                | Alcohols           | Wines                |  |
| From the Provinces   | Litres.<br>155,150 | Litres.<br>1,957,900 | Litres.<br>452,000 | Litres.<br>1,883,146 |  |
| From Abroad          | 4,507,350          | 2,491,300            | 4,163,600          | 2,944,454            |  |
| Total                | 4,662,500          | 4,449,200            | 4,615,600          | 4,827,600            |  |

| Quantity Exported    | 1920/21            | (1336)             | 1919/20 (1335)       |                    |  |
|----------------------|--------------------|--------------------|----------------------|--------------------|--|
| from Constantinople. | Alcohols           | Wines              | Alcohols             | Wines              |  |
| To the Provinces     | Litres.<br>786,080 | Litres.<br>658,700 | Litres.<br>1,120,960 | Litres.<br>414,130 |  |
| Abroad               | 14,720             | 75,700             | 7,340                | 24,270             |  |
| Total                | 800,800            | 734,400            | 1,128,300            | 438,400            |  |

Fisheries.

| The Taxes on Fish which form     | pari | t of t | he |              |
|----------------------------------|------|--------|----|--------------|
| Revenues ceded by the Decree o   | f Mu | harre  | m  |              |
| produced in 1920/21 (1336)       |      | •      |    | £T741,244.25 |
| as against in 1919/20 (1335)     |      |        | •  | 609,763.19   |
| being a considerable increase of |      | •      | •  | £T131,481·06 |
|                                  |      |        |    |              |

equal to 21.56%, which is due to a more abundant catch and to the continual increase of the selling price of fish.

In the Table below are to be found the average wholesale prices per kilogram of the more important marine products in Constantinople during the last two years:—

|                    |    |   | 1920/21<br>(1336). | 1919/20<br>(1335). |
|--------------------|----|---|--------------------|--------------------|
| Mackerel           | •  | • | Piastres.          | Piastres.<br>22:50 |
| Horse Mackerel.    |    |   | 17:25              | 7.00               |
| Mullet             |    |   | 54.50              | 53.75              |
| Lufer              | •  |   | 69.25              | 62.00              |
| Sardines           | •  | • | 26.75              | 26.25              |
| Pelamids (per pair | .) |   | <b>57·25</b>       | 31.50              |
| Turbots            |    |   | 45.50              | 42:00              |
| Tunny Fish .       |    |   | 19-25              | 14.50              |
| Lobster            | •  | • | 118-25             | 104.00             |

The Receipts of the two periods are as follows:-

|                           | 1920/21<br>(1336) | 1919/20<br>(1335) | Difference   | %      |
|---------------------------|-------------------|-------------------|--------------|--------|
|                           | £T                | £Т                | £T           |        |
| Fishing Permits           | 1,263.70          | 1,037.70          | + 226.00     | 21.78  |
| Taxes directly controlled | 641,534-21        | 533,639 44        | + 107,894.77 | 20.22  |
| Taxes farmed out          | 11,633 28         | 3,874-13          | + 7,759.15   | 200.28 |
| Tax on Registration .     | 47,806·32         | 39,481.64         | + 7,824.68   | 19.82  |
| Tax on Sales              | 37,658.06         | 29,235·34         | + 8,422.72   | 28.81  |
| Transport Permits         | 840.23            | 737-66            | + 102:57     | 13.91  |
| Export                    | 1,008-45          | 1,757.28          | 748-83       | 42.61  |
| Total                     | 741,244 25        | 609,763·19        | + 131,481 06 | 21.56  |

#### Silk.

#### Receipts.

The comparison between the two periods 1920 21 (1386) and 1919/20 (1335) in the districts mentioned in the Decree of Muharrem, is as follows:—

|            |   | 1920/21 (1336)<br>£T. | 1919/20 (1335)<br>£T. | Difference.<br>£T. |
|------------|---|-----------------------|-----------------------|--------------------|
| Tithe .    | • | 81,397:07             | 115,985.07            | -34,588.00         |
| Banderoles | • | 208.64                | 329.36                | - 120.72           |
| Total      | • | 81,605.71             | 116,314.43            | -34,708.72         |

showing a decrease of £T34,708.72, equal to 29.84%.

After a temporary improvement in the preceding year the results for the year 1920/21 (1936) show a fresh decrease in the revenue, the causes for which have frequently been stated by the Council in their Annual Reports, and can be summarised as follows:—Shortage of labour due to the war, the destruction of the mulberry

trees and of the buildings suitable for the rearing of silkworms, and the general state of insecurity in the most important centres of production, the greater number of which have been laid waste.

#### Production.

Owing to the meagreness of the information available it is impossible to furnish precise details as to the quantity of eggs incubated or the cocoons produced during the year 1920, but in view of the increase in the selling price the fall in output must be attributed to insufficient production both of cocoons and the quantity of eggs incubated, to which unfavourable atmospheric conditions have to a certain extent contributed.

#### Price of Cocoons.

The average prices for cocoons per kilogram in 1920/21 (1336) and in 1919/20 (1335) were as follows:—

|                | 1920/21 (1336).<br>Piastres. | 1919/20 (1335).<br>Piastres. | Difference.<br>Piastres. |
|----------------|------------------------------|------------------------------|--------------------------|
| Brussa         | 120.00                       | 100.00                       | +20.00                   |
| Constantinople | 117.50                       | 102.21                       | +15.29                   |

#### Incubation and Superintendence.

The Sericultural Technical Corps controlled in 1920/21 the working of 109 Silk-worm Egg producers, who produced 101,214 boxes of eggs of one ounce from 36,130 kilograms of cocoons passed as sound. In 1919/20 the local industry produced 54,269 boxes from 19,257 kilograms of cocoons, the number of Silk-worm Egg producers being 96.

#### Instruction.

The Lectures of the Sericultural Institute of Brussa on incubation and production took place as usual. They were attended by thirty-four students, of whom ten were women (three Greek and seven Musulman) and twenty-four men

(two Armenian, six Greek and sixteen Musulman); seventeen students, of whom five were women (two Greek and three Musulman) and twelve men (one Armenian, five Greek and six Musulman) obtained diplomas, which brings the total of diplomas issued by the Institute since its foundation in 1888 to 1,421.

In 1919/20 (1335) the Lectures were attended by fifty-five students, of whom fifteen were women; nineteen students obtained diplomas.

#### Encouragement.

Competitions for the best kept nurseries of Silk-worm were held in the year 1920/21 (1336) in the districts of Brussa and Mudania. Out of forty-two competitors, thirty-four received prizes, amounting to a total of £T650.

Also 3,330 boxes of Silk-worm Eggs and 100,040 mulberry shoots were gratuitously distributed by the Administration among necessitous Armenians, Greeks and Musulmans in the villages of Sivri-Hissar, Gueivé, Kuplu, Kirmasti, Kara-Moussal, Rodosto, Iné Gueul, Djerrah, Mudania, Biledjik, Guemlek, Yalova and Panderma.

#### Fines.

In the following Table will be found a detailed statement of the Fines collected during the Thirty-ninth Financial Year, compared with those of the preceding year.

|           | 1920/21 (1336) | 1919/20 (1335) | Difference. |
|-----------|----------------|----------------|-------------|
|           | £T.            | £T.            | £T.         |
| Salt      | 48,778.35      | 18,005.02      | + 30,773.33 |
| Stamps    | 10.736.03      | 10,637.81      | + 98.22     |
| Spirits   | 18,461.01      | 19,408.55      | - 947:54    |
| Fisheries | 2.381.34       | 2,227.70       | + 153.64    |
| Silk      | 755.25         | 2,652.26       | - 1,897.01  |
| Tobacco   | 2,093·41       | ´—             | + 2,093.41  |
| Total     | 83,205.39      | 52,931.34      | + 30,274.05 |

showing an increase of 57.19%.

#### Various Extra Budgetary Receipts.

| These amounted in 1920/21 (1336) t | to |   |   | £T41,446.73 |
|------------------------------------|----|---|---|-------------|
| as against in 1919/20 (1335) .     |    |   |   | 17,553.24   |
| being an increase of               |    | • | • | £T23,893·49 |
| or 136·12%.                        |    |   |   |             |

## B.—FARMED REVENUE. Tobacco Monopoly.

In the course of the Thirty-ninth Financial Year the Ottoman Tobacco Régie Company made the following payments:—

| payn   | nents:—  |           |                |        |               |       |                |
|--------|--|-----------|----------------|--------|---------------|-------|----------------|
| 1. A   | nnual Ro   | valty .   | •              |        |               | •     | £T1,813,561.85 |
| ŗ      | hare of<br>profits of t                          | he Comp   | any d          | during | the y         | ear/  |                |
| 1      | 920/21 (1  | 336) .    | •              | •      | •             | •     | 950,624.97     |
| I<br>Y | um encas<br>pense acco<br>nake good<br>he reduct | ount with | n the<br>s suf | Treas  | ury '<br>wing | to to |                |
| (      | Export to  | Egypt),   | that           | is .   | •             | •     | 18,000:00      |
|        |  | Total     | •              | •      |               | •     | £T2,782,186.82 |
| In     | 1919/20  | (1335)    | the            | corres | spond         | ling  |                |
| fig    | gure was   |           | •              | •      | •             | •     | 2,448,535.76   |
|        | g an incre                                       |           | •              | •      | •             |       | £T333,651·06   |

As the result of an agreement come to on the 13th of February, 1922, between the Régie, the Debt Administration and the Government, regulating the 7th and 8th Financial Periods of the new Concession, the annual royalty of the Tobacco Company was calculated in francs. The royalty of £T682,857.03—after deducting the sum of £T7,237.89 due to the Régie in consequence of the suppression of the monopoly in the islands of Mitylene, Chios and Lemnos—was converted into francs, at the rate of

equal to 13.63%.

23 francs to the Turkish pound. From the sum thus obtained, namely, frs.15,705,711.69, frs.6,999,284.56 were deducted, being the equivalent, at the average rate of 10.25 francs to the Turkish pound, of the four quarterly payments of £T170,714.26 effected by the Tobacco Régie and representing the annual royalty of £T682,857.03. The balance of frs.8,706,427.13 due to the Administration was paid in Turkish pounds, at the rate of exchange current on the day on which the agreement embodying the arrangement was signed, that is to say, frs.7.70 to the Turkish pound, making . . . . £T1,130,704.82

to which must be added the amount previously paid of . . . . .

682,857.03

Making a total of

£T1,813,561.85

The share of the Public Debt Administration in the profits was calculated, in conformity with the Régie Convention, on the actual results shown for the 7th Financial Period of the Régie.

On the other hand, as in former years, a sum of £T50,000 for the retrocession of the "Reftieh" to the Tobacco Régie is passed to expenditure.

Annex No. 3 gives a detailed statement of the accounts of the Administration with the Tobacco Company.

#### C.—Tobacco Tithe and Permanent Assignments.

#### 1. Tobacco Tithe.

| In virtue of the terms of Article VIII. of<br>the Decree of Muharrem, the following<br>sums were encashed on the above-mentioned |                             |
|--|-----------------------------|
|  | ET1,200,442 <sup>.</sup> 90 |
| 1. For the fixed assign-   |                             |
| ment replacing the   |                             |
| Bulgarian Tribute . £T100,000.00   |                             |
| 2. For the fixed assignment  |                             |
| replacing the Cyprus   |                             |
| Surplus 130,000 <sup>.</sup> 00  | 230,000:00                  |
| leaving a balance of   | £T970,442·90                |
|  |                             |

which was duly deducted from the Net Receipts applicable to the service of the Debt.

#### 2. Eastern Roumelian Tribute.

In conformity with the Protocol of May 21/4, 1911, the Eastern Roumelian Tribute, fixed since that date at £T114,019·74, was paid out of the 1920/21 (1336) Surplus of the Tithes, Sheep Tax, etc., collected by the Ottoman Public Debt.

#### 3. Tumbeki Dues.

The fixed assignment of £T50,000 has been covered by two equal half-yearly drafts on the Customs.

#### D.—REVENUE COLLECTED BY THE GOVERNMENT.

#### Customs Surtax.

| The amount encashed for    | or this | s Reven | ue |                |
|----------------------------|---------|---------|----|----------------|
| was                        |         |         |    | £T2,050,884·46 |
| as against in 1919/20 (133 | 15) .   | •       | •  | 1,352,694.38   |
| being an increase of       |         | •       | •  | £T698,190·08   |
| equal to 51.61%.           |         |         |    | •              |

This increase is mainly due to the sums paid in by the Beyrouth Customs, which amounted to £T1,236,585.35 in 1919/20 (1335) and have risen to £T1,928,161.29 in 1920/21 (1336), being an increase of £T691,575 94. (See Annex No. 2.)

# E .- Interest of the Reserve Fund.

Article VIII. of the Decree-Annex of 1/14 September, 1903, stipulates that when the Reserve Fund amounts to £T2,000,000 the interest of this Fund shall be included in the General Receipts of the Ottoman Public Debt. The value of the investments constituting the fund has considerably diminished and is far from reaching the figure mentioned in the Decree-Annex. The Council, in order to conform to the principle laid down in the article mentioned above, has decided that the interest from the investments of the Reserve Fund should in future be used to reconstitute the Fund.

Consequently the interest in question, regarding which details will be found in Annex No. 10, is no longer shown in the General Receipts of the year. In 1919/20 (1335) the interest amounted to £T110,538·15 and was shown in the General Receipts.

# F .- Interest of the Tripoli Indemnity Fund.

Owing to the suspension of the coupons of the securities constituting this Fund, no interest figures in the receipts of the Thirty-ninth Period. In 1919/20 the receipts under this head were £T2,197·10.

The Council reiterates its protest of 1918/19 (see Report for that year) in respect of the subscription at par during the war to the Ottoman Internal Loan 5% of 1918 for the amount of £T1,100,000 nominal capital for account of the Tripoli Indemnity Fund.

# G.—SUMS RECOVERED ON SUNDRY DEBTS.

# The Receipts in 1920/21 (1336) amounted

| to      |       |         |      |    |   |   | £T102,757·11 |
|---------|-------|---------|------|----|---|---|--------------|
| and in  | 1919  | 9/20 (1 | 335) | to |   | • | 85,119.89    |
| being   | an in | crease  | of   |    | • |   | £T17,637·22  |
| equal t | to 20 | .72%.   |      |    |   |   |              |

# H.—PROFIT ON TREASURY OPERATIONS.

| The Receipts under this  | head | amo | unted | to | £T979,753·30 |
|--------------------------|------|-----|-------|----|--------------|
| against in 1919/20 (1335 | 5)   | •   | •     | •  | 623,984.41   |
| being an increase of     | •    | •   |       |    | £T355,768·89 |

The Credit Balance of this account amounts to £T852,719.95 after deducting £T127,033.35 for losses in respect of Treasury Operations, which were treated as part of the expenditure of the Thirty-ninth Financial Period. In 1919/20 (1335) the Credit Balance was only £T165,002.83. (See Special Chapter and Annex No. 14.)

# GENERAL REVIEW.

|  | 1920/1921<br>(1336). | 1919/1920<br>(1335). | 1 | Difference.        | %     |
|--|----------------------|----------------------|---|--------------------|-------|
| Revenues directly administered by                  | £T.                  | £T.                  |   | £T.                |       |
| the Council  | 5,342,401.66         | 5,806,871.08         | _ | 464,469.42         | 8.00  |
| Farmed Revenue<br>Revenue administer-              | 2,782,186.82         | 2,448,535.76         | + | 333,651.06         | 13.63 |
| ed for account of                                  |                      |                      |   |                    |       |
| Council and fixed assignments Revenue collected by | 1,364,462-64         | 1,263,588·14         | + | 100,874.50         | 7.98  |
| Government   | 2,050,884.46         | 1,352,694.38         | + | <b>698,19</b> 0.08 | 51.61 |
| Sundry Receipts                                    | 1,082,510.41         | 911,263.32           | + | 171,247.09         | 18.79 |
| Total  | 12,622,445.99        | 11,782,952.68        | + | 839,493-31         | 7.12  |

# PART II.

# GENERAL EXPENSES.

# EXPENSES OF MANAGEMENT, COLLECTION AND WORKING.

In the Table below the Administrative and General Expenditure of the Thirty-ninth Financial Year are compared with those of the preceding year.

|                              | 1920/1921    | 1919/1920    | Increase or        |
|------------------------------|--------------|--------------|--------------------|
|                              | (1336).      | (1335).      | Decrease.          |
| Central Service, Council and | £T.          | £T.          | £T.                |
| General Direction            | 982,663·44   | 638,136·08   | + 344,527·36       |
| Provincial Services          | 1,963,626.58 | 2,032,221.97 | <b>–</b> 68,595·39 |
| Total                        | 2,946,290.02 | 2,670,358.05 | + 275,931.97       |

The details of the above figures will be found under separate chapters in Annex No. 4.

The following Tables show a comparison between the various heads of Expenditure, which constitute the total expenditure for 1920/21 (1336), and those of the preceding year, both for the Central Administration, including the salaries of the Delegates and that of the Imperial Commissary (as provided in Article XV. of the Decree of the 28 Muharrem 1299), as well as for the Provinces.

# 1. EXPENSES OF THE CENTRAL SERVICE.

|   |  |  |   | 1920/1921<br>(1336).                         | 1919/1920<br>(1335).                         | Increase or<br>Decrease.                          |
|---|--|--|---|--|--|---|
| Staff Expenses Sundry Expenses . Special Expenses . |  |  | • | £T.<br>760,016·06<br>169,288·99<br>53,358·39 | £T.<br>470,467·87<br>138,122·90<br>29,545·31 | £T.<br>+ 289,548·19<br>+ 31,166·09<br>+ 23,813·08 |
| Tqtal   |  |  | į | 982,663.44                                   | 638,136.08                                   | + 344,527.36                                      |

# 2. Provincial Expenses.

|   | - ,,,,, | 1920/1921<br>(1336).                          | 1919/1920<br>(1335).                            | Increase or<br>Decrease. |
|---|---------|---|---|--------------------------|
| Staff Expenses Sundry Expenses Special Expenses |         | £T.<br>867,570·11<br>111,374·84<br>984,681·63 | £T.<br>759,372·40<br>142,267·67<br>1,130,581·90 |                          |
| Total   |         | 1,963,626.58                                  | 2,032,221.97                                    | - 68,595:39              |

## 3. RECAPITULATION.

A recapitulation of the two Tables taken together gives the following result:—

|                                  |   |   |   |     | 1920/1921<br>(1336).       | 1919/1920<br>(1335). | Increase or<br>Decrease. |
|----------------------------------|---|---|---|-----|----------------------------|----------------------|--------------------------|
| Staff Expenses                   |   | • |   |     | £T.<br>1,627,586·17        |                      | £T.<br>+ 397,745·90      |
| Sundry Expenses Special Expenses | • | • | : |     | 280,663·83<br>1,038,040·02 |                      | + 273·26<br>- 122.087·19 |
| Total                            |   |   |   | - 1 |                            | 2,670,358.05         |                          |

The above figure of £T2,946,290.02 represents the total of the general expenses in 1920/21 (1336), both those in connection with the collection of the Ceded Revenues and those entailed by the collection of the Tithe, Sheep Tax, etc., administered by the Council.

From this total must be deducted the sum provided from the commission paid by the Imperial Government to the Administration of the Ottoman Public Debt to meet the expenses of collection of the Revenues other than those of the Decree of Muharrem. This amounted in the Thirty-ninth Financial Period to £T280,100.00. There remains therefore a total of expenditure to be borne by the Ceded Revenues of:—

£T2,666,190·02 in 1920/21 (1336)

as against . . 2,445,258.05 in 1919/20 (1335), being an

increase of . £T220,931.97 equal to 9.04%.

# PART III.

# NET REVENUE AND SERVICE OF THE DEBT.

THE total of Gross Receipts for the year 1920/21 (1336) (See Annex No. 1) is . £T12,622,445.99 From this total the following must be deducted:—

- (a) The total expenditure for the year 1st March, 1920, to 28th February, 1921, amounting to £T2,666,190.02
- (B) Outstanding Provincial Accounts . 111,753.31
- (c) The Retrocession of the Reftieh . . 50,000.00
- (D) The Balance reverting to the Government from the Tobacco Tithe 970,442.90
- (E) The Loss on Treasury
  Operations . 127,033.35
- (F) Receipts encashed by the Palestine Government during the years 1917/18 (1338), 1918/ 1919 (1334), 1919/20

Carried forward . . £T3,925,419.58 £T12,622,445.99

| Brought forward . | . £T3,9 | 925,419·58 | £T12,622,445.99 |
|-------------------|---------|------------|-----------------|
| (1335), and 199   | 20/21   |            |                 |
| (1336), which how | vever   |            |                 |
| have not been rem | nitted  |            |                 |
| to the Council .  | •       | 509,651.1  | 6               |
|                   |         |            |                 |

Total Expenditure £T4,435,070.74

Thus leaving for the Thirty-ninth

Period a net total of . . £T8,187,375.25

applicable to the service of the Debt.

# Application of Receipts for the Year.

The application of the Annuity necessary for the service of the Debt is as follows:—

| 1. Interest at 4% on the Capital of the    |                |
|--|----------------|
| Unified Converted Debt of £T42,275,772,    |                |
| amounting to                               | £T1,691,030·88 |
| 2. Ordinary Sinking Fund of Unified        |                |
| Converted Debt                             | 196,344.47     |
| 3. Fixed Annuity of Turkish Lottery        |                |
| Bonds                                      | 270,000.00     |
| Total of Annuity .                         | £T2,157,875·85 |
| The net Receipts applicable to the service |                |
| of the Debt being, as already stated .     | 8,187,375.25   |
| There remains a sum of                     | £T6,029,999·90 |

which has been carried into the "Special Reserve Fund," instituted by the Council to cover the loss on exchange on the payment of Coupons in other countries.

# Interest on the Unified Converted Debt.

| The Annuity necessary for the pay-         |                                |
|--|--------------------------------|
| ment of the 4% on the capital of the       |                                |
| Unified Converted Debt amounts to          | £T1,691,030·88                 |
| The following payments were made           |                                |
| in the Thirty-ninth Financial              |                                |
| period:—                                   |                                |
| September Coupon,                          |                                |
| 1920 (¹) £T130,452·08                      |                                |
| March Coupon, 1921 . —                     |                                |
| £T130,452.08                               |                                |
| To which must be added                     |                                |
| the interest on the March,                 |                                |
| 1921, Coupon of Amor-                      |                                |
| tised Bonds 116,933.96                     | 247,386.04                     |
| Leaving on the 28th of February, 1921, a   |                                |
| balance due on account of the Thirty-      |                                |
| ninth period of                            | £T1,443,644·84                 |
| At the end of the Thirty-eighth Period the |                                |
| We me did of mo Tille A. eighmi Teriod me  | ere still remained             |
| a balance due for Coupons of the           |                                |
|  |                                |
| a balance due for Coupons of the           | preceding years                |
| a balance due for Coupons of the of        | preceding years £T7,926,563.48 |
| a balance due for Coupons of the of        | £T7,926,568.48 121,410.96      |
| a balance due for Coupons of the of        | £T7,926,568.48 121,410.96      |
| a balance due for Coupons of the of        | £T7,926,568.48 121,410.96      |

<sup>(1)</sup> Of which £T116,932:64 represents interest on amortised Bonds (See Annex No. 7).

<sup>(2)</sup> See Annex No. 7.

| For the Thirty-ninth Financi | 81 | £T1,443,644·84 |
|------------------------------|----|----------------|
| For the preceding periods    | •  | 7,814,433.44   |
| Total .                      |    | £T9,258,078·28 |

# GENERAL ACCOUNT.

During the Thirty-ninth Financial Period capital of the nominal value of £T88, representing 4 damaged Bonds, was re-purchased on the Market at a cost of £T67.32.

# 1. Ordinary Sinking Fund.

| The amount accruing to the     | Ordinary  |
|--------------------------------|---|
| Sinking Fund is                | . £T 196,344·47                                   |
| to which must be added:-       |   |
| Interest on Bonds redeemed     | of  |
| September, 1920 .              |   |
| Of March, 1921                 | 65,687·60<br>———————————————————————————————————— |
| the Credit Balance from the    | preceding   |
|                                | 1,433,231.46                                      |
| Total Credit Bala              | nce . £T1,760,951·13                              |
| to be carried forward to the F |   |
| 2. Extra-ordinar               |   |
| The interest on the Redeem     |   |
| For September, 1920            |   |
| For March, 1921                | 51,246.36   |
| Total                          | £T 102,491.40                                     |
| By adding the Credit Bal       | ance from   |
| the preceding year .           | 1,042,278.03                                      |
|                                |   |
| The total obtained             | is . £T1,144,769·43                               |

| From the balance reserved for payment                |
|--|
| of Damaged Bonds, namely £T22,186.88                 |
| the sum of 67.32                                     |
| has been paid, representing the cost                 |
| of the 4 Damaged Bonds above-men-                    |
| tioned, leaving at the end of February,              |
| 1921, a balance for this account of . £T22,119.56    |
| <del></del>  |
| Service of Turkish Lottery Bonds.                    |
| 1. Drawings: 100% and 60%.                           |
| The sum necessary for Premiums and amortisation of   |
| 12,600 Bonds drawn during the Thirty-ninth Financial |
| Period is:—  |
| For Premiums at 100%. £T102,300                      |
| For Premiums at 60%. 129,888                         |
| £T232,188·00   |
| The payments made in the Thirty-                     |
| ninth Period (1) were as follows:—                   |
| Drawing of April, 1920 £T 6,872.80                   |
| ,, June, ,, 6,579·76                                 |
| ,, August, ,, 26,326.96                              |
| ,, October, ,, 15,800·56                             |
| ,, December, 1920 24,903·12                          |
| ,, February, 1921 ——                                 |
| £T79,988·20  |
| leaving on the 28th February, 1921, an               |
| amount still to be paid for the Thirty-ninth         |

<sup>(1)</sup> See Annex No. 7.

£T152,204·80

Financial Period

| At the end of the Thirty-eighth Period              |                 |
|---|-----------------|
| there remained to be paid for preceding             |                 |
| years   | £T664,359·96    |
| The payments made during the Thirty-                |                 |
| ninth Period were                                   | 114,928.16      |
| Leaving on the 28th of February, 1921, to           |                 |
| be paid for preceding years the sum of .            | £T549,436·80    |
| Total sums due:—                                    |                 |
| For the Thirty-ninth Period                         | £T152,204·80    |
| For preceding periods                               | 549,436.80      |
| Total   | £T701,641.60    |
| 2. Service of Redemptions.                          |                 |
|   | ttour Donda is  |
| The amount allotted to the Turkish Lo composed of:— | ottery Donus is |
| 1. A fixed Annuity corresponding to the             |                 |
| interest paid on the Unified Converted              |                 |
| Debt, namely  | £T243,000·00    |
| 2. The share allotted from the Sinking              |                 |
| Fund  | 27,000.00       |
| Total   | £T270,000·00    |
| To which must be added                              |                 |
| 1. Premiums and amortisa-                           |                 |
| tions on 3,183 Bonds<br>drawn from the stock of     |                 |
| repurchased Bonds from                              |                 |
| the drawing of 1920/21                              |                 |
| (details of which are                               |                 |
| given in Annex No. 8) .£T 82,231.60                 |                 |
| 2. The credit balance of                            |                 |
| the preceding year . 871,241.54                     |                 |
|   | £T953,473·14    |
| Total   | £T1,223,473·14  |

| Brought forward £T1,223,473·14  From which must be deducted the amount required for the service of Premiums and Amortisation of the 12,600 Bonds drawn                                   |
|--|
| during the Thirty-ninth Period, namely 232,188.00  |
| Leaving for redemption a sum of . £T991,285·14 with which 51 Bonds were repurchased,   |
| costing  |
| Leaving a credit balance of £T990,746.58   |
| to be carried forward to the following period.  The number of Turkish Lottery Bonds repurchased on February 28th, 1921, was:—  468,211 Bonds, costing . £T3,153,971.76  at the same time |
| 36,211 Bonds were amortised at an average cost of £ $T6.7362$ . 243,924.54   |
| Thus 482,000 Bonds have been withdrawn  from circulation and retained by the Ottoman Public  Debt at a cost of £T2,910,047.22  |
| 3. Service of the Turkish Lottery Bonds (58%). On February 29th, 1920, there remained due on the Turkish Lottery Bonds (58%) an amount of £T20,569·12                                    |
| To which must be added the sum due on the Turkish Lottery Bonds (58%) improperly shown as prescribed 1,430.39  |
| Total . £T21,999.51 On which was paid in 1920/21 30.62   |
| Leaving on February 28th, 1921, a<br>balance due £T21,968.89   |
| which is covered by an equivalent sum in hand.   |

# Service of the 4% Priority Bonds.

On February 29th, 1920, there remained a balance due on the Bonds and Coupons in circulation of the said Loan . . . .

£T404.82

No operation having been effected during this Financial Period, the above balance, covered by an equivalent sum in hand, is again carried forward.

# RESERVE FUND. (1)

| The Investments of the Reserve Fund       |
|---|
| represented, on February 29th, 1920, a    |
| cost of £T1,868,634.08                    |
| During the year the following invest-     |
| ments were amortised and paid:—           |
| Lire 122,000 Societa Italiana             |
| Servizi Marit-                            |
| timi 4% . £T5,368.00                      |
| Frs. 10,000 Osmanié 4 %                   |
| Loan 1890 . 440·00 5,808·00               |
| Cost of Bonds in hand on February 28th,   |
| 1921 £T1,862,826·08                       |
| Balance of cost of new building 97,688.85 |
| Balance in hand (2) 187,186.90            |
| Total £T2,147,701.83                      |

# Tripoli Indemnity.

No operation having been effected during the past

<sup>(1)</sup> See Annex No. 10.

<sup>(2)</sup> This sum, which includes the interest encashed during the Period under review, is arrived at after deduction of £T2.24, the equivalent of 5 Coupons missing from the Amortised Bonds of the 1903 4% Loan with special guarantees.

Financial Period, the situation of this Fund remains the same, namely:—

| Cost of Portfolio ('). |  | £T1,682,073.96 |
|------------------------|--|----------------|
| Balance in hand .      |  | 2,120.04       |
| Total .                |  | £T1,684,194·00 |

The Share of the Ottoman Public Debt of the Régie Reserve Fund for the Amortisation of Buildings.

The Portfolio of this Account is composed of:—
1,910 Bonds of the 1914 Ottoman 5%

|             | 5% | man | Otto | 1914  | the | 1,910 Bonds of   | J |
|-------------|----|-----|------|-------|-----|------------------|---|
| £T37,092·45 |    |     | •    | •     |     | Loan, costing    |   |
| 3.89        |    | •   |      | ıd of | har | and a balance in | ٤ |
| £T37,096·34 |    | •   | •    | •     | •   | Total            |   |

# Registered Bonds in Circulation.

The number of Registered Bonds in circulation on the 28th Feb., 1921, represented a capital of £T2,002.00

The provision in Converted Bonds for the exchange of the above-mentioned capital is as follows:—

| Series B. | • |   | £T286 |       |            |
|-----------|---|---|-------|-------|------------|
| Series C. | • |   | 836   |       |            |
| Series D. | • | • | 880   | Total | £T2,002:00 |

During the Thirty-ninth Financial Period no conversion of Bonds took place.

# Treasury Operations. (2)

# 1. Exchange.

During the Thirty-ninth Financial Period, exchange gave a final credit balance of . . . £T15,184.40

<sup>(1)</sup> See Annex No. 11.

<sup>(2)</sup> See Annex No. 14.

| 2. Investment of Available Funds.   |
|---|
| The credit of this Account was £T898,098.99                                 |
| less:—  |
| 1. The amount of taxes col-   |
| lected on the interest  |
| of the Funds encashed   |
| during the Financial year   |
| 1920/21 £T2,341·06  |
| 2. The amount refunded on   |
| French Treasury Bonds   |
| discounted 1,575·76 3,916·82  |
| There remains £T894,182:17  |
| from which has been deducted:—  |
| (A) Theinterest on the cash   |
| balance of the "Reserve   |
| Fund" £T2,702·32  |
| (B) The interest on the   |
| funds available from the  |
| Tithes, Sheep Tax and   |
| Sundry Revenues admin-  |
| istered by the Council . 33,128·39 35,830·71                                |
| Profit £T858,351·46   |
|   |
| 3. Loss on Exchange on Payment of the Unified Coupons in Foreign Countries. |
| The payment of the Coupons of the   |
| Unified Converted Debt in 1920/21 involved                                  |
| a loss on exchange of £T·25   |
| 4. Profit on Exchange on the Service of the Turkish Lottery Bonds.          |
| For the service of the Turkish Lottery                                      |
| Bonds there was a profit on exchange of . £T1,567.86                        |

| 5. Commission and Brokerage.   |
|--|
| Expenses of Commission and Brokerage   |
| were   |
| 6. Sales of Currency.  |
| The sale of Currency in the Provinces  |
| during the Financial year, including transport,  |
| resulted in a loss of £T16,691.33  |
| 7. Sundry Drawings.  |
| The following sum was expended under   |
| this heading £T5 60  |
| 8. Expenses on Account of the "Reserve Fund."  |
| The expenses under this heading amounted   |
| to £T580·19  |
|  |
| 9. Carriage of Bonds and Specie.   |
| 9. Carriage of Bonds and Specie.  The transport expenses under this head-  |
| •  |
| The transport expenses under this head-  |
| The transport expenses under this heading amounted to £T3·47  Special Reserve Fund for Payment of Arrears of   |
| The transport expenses under this heading amounted to £T3·47  Special Reserve Fund for Payment of Arrears of Unified Debt and Turkish Lottery Bonds. |
| The transport expenses under this heading amounted to  |
| The transport expenses under this heading amounted to  |
| The transport expenses under this heading amounted to  |
| The transport expenses under this heading amounted to  |
| The transport expenses under this heading amounted to  |

| Brought forward   | . £T15,017,436·10           |
|---|-----------------------------|
| in £stg. and in francs during tl  | he                          |
| Financial Year; these amounted in   | all                         |
| to £stg.293,681 0s. 10d. transferred  |                             |
| London, and to Frs.44,834,523 tran  |                             |
| ferred to Paris, and caused a loss of   | . 2,983,554.69              |
| Leaving at the end of February, 192   | 21,                         |
| a credit balance of   | . £T12,083,881·41           |
| Instalment of 1s. 3d. on the Coupe Converted Debt, which fell due between March, 1920, including the 29th February, 1920, . | ween March, 1915,<br>asive. |
| which had matured between March,  | 21,001,012 doupons          |
| 1915, and March, 1920, were out-  |                             |
| standing.   |                             |
| Of these coupons in 1920/21   | 274,401 coupons             |
| were paid. Leaving unpaid For the payment of 1s. 3d. on   | 17,113,170 coupons          |
|   | £stg. s. d.                 |
| these 17,113,170 coupons the sum of   | 1,069,573 2 6               |
| is required.  |                             |
| During the Financial Period of  |                             |
| 1920/21, 1s. 3d. was paid on $7,437,599$  |                             |
| coupons at a cost of  | 464,849 18 9                |
| Leaving thus on the 28th February,  |                             |
| 1921, to be paid on 9,675,571 coupons   | 604,723 3 9                 |

### Staff.

The list of the Permanent Staff in Constantinople and in the Provinces comprised, on February 29, 1920, 3,742 Agents, namely:—

| Council           |   | • | 84           |
|-------------------|---|---|--------------|
| Direction-General | • | • | 411          |
| Provinces (1) .   |   | • | 2,461        |
| Inspection .      |   | • | <b>33</b>    |
| "Surveillance"    |   |   | 753          |
| Total.            |   | • | 3,742 Agents |

of which 3,597 were Ottoman subjects and 145 Foreigners.

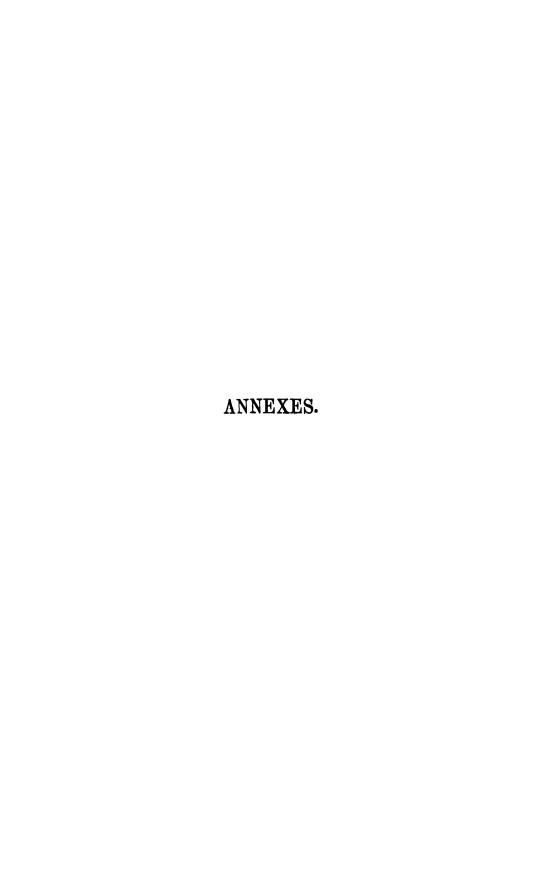
On February 28, 1921, the situation was as follows:—

| Council           | • | • | 88    |        |
|-------------------|---|---|-------|--------|
| Direction-General |   | • | 409   |        |
| Provinces (1) .   |   | • | 2,005 |        |
| Inspection .      |   |   | 33    |        |
| "Surveillance"    |   |   | 497   |        |
|                   |   |   |       |        |
| Total.            |   |   | 3,032 | Agents |

of whom 2,881 were Ottoman subjects and 151 Foreigners.

The number of temporary employees engaged in the Provinces by the year, by the month or by the day, amounted in 1919/20 to 1,098 Agents, receiving £T76,522·70. In 1920/21, only 482 Agents were employed, receiving £T31,021·76.

<sup>(1)</sup> See Annex No. 15.



91—92 ANNEX No. 1.

CEDED REVENUES.—TABLE COMPARING THE GROSS RECEIPTS OF 1920/21 WITH 1919/20 (1336 and 1335).

|                                      | ·   |  | RI                  | EVENUE               | <b>2.</b>                     |            |              |                   |              |      | 1920/21<br>(1336).   | 1919/20.<br>(1335).  |                       | Difference.  | Percentage                              |
|--------------------------------------|---|--|---------------------|----------------------|-------------------------------|------------|--------------|-------------------|--------------|------|--|--|-----------------------|--|---|
| Revenues Collected<br>by the Council | Salt<br>Stamps<br>Spirits<br>Fisheries<br>Silk  |  |                     |                      |                               | •••        |              |                   |              |      | £T 2,619,284·76 609,355·65 1,166,309·17 741,244·25 81,605·71 | £T<br>2,677,326·64<br>619,265·14<br>1,713,717·10<br>609,763·19<br>116,814·43 | _<br>_<br>_<br>+<br>_ | £T<br>58,091.88<br>9,909.49<br>547,407.98<br>131,481.06<br>34,708.72 | 2·17<br>1·60<br>31·94<br>21·56<br>29·84 |
| •                                    | Fines<br>Sundries                               | <br>(not in  | <br>cluded          | •••                  |                               | the Fiv    | e Rev        | enues<br>         | •••          | •••  | 5,217,749·54<br>,83,205·39<br>41,446·73                      | 5,736,386·50<br>52,931·34<br>17,553·24                                       | -<br>+<br>+           | 518,636·96<br>30,274·05<br>23,893·49                                 | 9·04<br>57·19<br>136·12                 |
| Farmed Revenues                      | Tobacco I<br>Contribut                          | Monopo<br>io <b>n</b> fro                            | oly, Rég<br>n Toba  | gie Roya<br>cco Tith | alty and<br>te in <b>c</b> or | mpensa     | in Pration o | f Bulgar          | rian Tr      |      | 5,842,401.66<br>2,782,186.82<br>100,000.00                   | 5,806,871.08<br>2,448,535.76<br>100,000.00                                   | -<br>+<br>)           | 464,469·42<br>333,651·06   | 8<br>13·63<br>9·17                      |
| Permanent<br>Assignments             | Balance of<br>Contribution<br>tion<br>Drafts on | ion fro<br>of the                                    | m the<br>Easterr    | Tithe and Roum       | elian T                       | ribute     | ue Su        |                   |              | nsa- | 130,000·00<br>970,442·90<br>114,019·74                       | 130,000·00<br>869,568·40<br>114,019·74                                       | +                     | 100,874·50   | 9.17                                    |
| į                                    | ,, ,,   | "  | n nous              |                      | on Tun                        |            | •••          | •••               | •••          | •••  | 50,000.00  | 50,000.00  |                       |  |   |
| Revenue Collected by the Government  | Customs   | Surtax   | : <b></b>           | •••                  | •••                           | •••        | <sup>1</sup> | Гота <b>l</b><br> | •••          | •••  | 9,489,051·12<br>2,050,884·46                                 | 9,518,994·98<br>1,352,694·38   | -<br> +               | 29,943·86<br>698,190·08  | 0·31<br>51·61                           |
| Sundries                             | Interest  | $\left\{egin{array}{l} 	ext{Res} \ 	ext{Tri}  ight]$ | erve Fu<br>poli Ind | ınd<br>lemnity       | ·                             | •••        |              | •••               |              |      |  | 110,538·15<br>2,197·10   | _                     | 110,538·15<br>2,197·10   | 100<br>100                              |
| Amount Recovered<br>Amount drawn on  | on Outsta                                       | nding  | Accoun              | ts                   | <br>" with                    | <br>the Tr | •••          | COTAL<br>         | <br>• off ac | <br> | 11,539,935·58<br>102,757·11                                  | 10,984,424·61<br>85,119·89   | ++                    | 555,510·97<br>17,637·22  | 5·06<br>20·72                           |
| Military Requi                       | isitions, 19                                    | 18/191   | 9 (1334             | i) and 1             | .919/20                       | (1335)     |              |                   | <br>-оп яА   |      | } <del>-</del>   | 89,423.77  | _                     | 89,423.77  | 100                                     |
| Profit on Treasury                   | Operation                                       | š  | •••                 | •••                  | •••                           | ••.        |              | •••               | •••          | •••  | 11,642,692·69<br>979,753·30                                  | 11,158,968·27<br>623,984·41  | ++                    | 483,724·42<br>355,768·89   | 4·34<br>57·02                           |
|                                      |   |  |                     |                      |                               |            | G            | RAND T            | OTAL         | •••  | 12,622,445.99  | 11,782,952.68  | +                     | 839,493:31   | 7:12                                    |

ANNEX No. 2.

GROSS RECEIPTS OF THE BASH-MUDIRIETS PER REVENUE.

FINANCIAL PERIODS 1336 AND 1335 (1920/21 AND 1919/20).

|                         |              | SPII                                  | RITS.       | STAI       | MPS.                 |            |                 |                 |                      | Customs      | Collected on             | Tobacco,<br>Tobacco Tithe               | Total 1920/21 | TOTAL 1919/20           | Increase                    | Per-     |
|-------------------------|--------------|---------------------------------------|-------------|------------|----------------------|------------|-----------------|-----------------|----------------------|--------------|--------------------------|---|---------------|-------------------------|-----------------------------|----------|
| Bash-Mudiriets.         | Salt.        | Béïyé.                                | Resmi-Miri. | Stamps.    | Surcharge<br>Stamps. | Fisheries. | Silk.           | Sundries.       | Fines.               | Surtax.      | Outstanding<br>Accounts. | and Permanent<br>Assignments,<br>Etc.   | (1336).       | (1335).                 | or<br>Decrease.             | centage. |
|                         | £T.          | £T.                                   | £T.         | £T.        | £T.                  | £T.        | £T.             | £T.             | £T.                  | £T.          | £T.                      | £T                                      | £T.           | £T.                     | £T.                         | %        |
| Adana                   | 40,841.21    | 4,081.12                              | 59,080.60   | 11,414.98  | 508:46               |            |                 | 1,264.93        | 1,607.10             | 114,718.79   | 35,955.76                |   | 269,472.95    | 271,292.41              | - 1,819.46                  |          |
| Adrianople              | 122,233.32   | 6,576.08                              | 25,266.73   | 8,327.86   | 808.99               | 9,538.56   | 47.97           | 41.07           | 4,523.01             | 948.03       | 5,751.01                 |   | 184,062.63    | 167,618.15              | + 16,444.48                 |          |
| Angora                  | ···          | •••                                   | ļ ·         |            | •••                  |            | •••             |                 |                      |              |                          |   |               | 122,272.85              | <b>—</b> 122,272.85         | 100.00   |
| Bagdad                  | •••          |                                       |             |            | •••                  |            | •••             |                 |                      |              |                          |   |               |                         | •••                         |          |
| Beyrout                 | 450,669.29   | 23,495.41                             | 63,744.17   | 76,234.12  | 3,949.16             |            | 19.96           | 1,288.05        |                      | 1,928,161.29 | 9,956.62                 |   | 2,573,568.34  | 1,576,902.21            | + 996.666.13                |          |
| Brussa                  | 206,717.45   | 5,584.43                              | 29,025.58   | 22,323.62  | 1,657.89             | 72,123.10  | 66,777:37       | 498.92          | 4,682.37             |              | 4,232.04                 |   | 413,622.77    | 447,341.73              | - 33,718.96                 | 7.54     |
| Constantinople          | 381,958:37   | 128,754.28                            | 333,201.29  | 260,202.07 | 12,672.76            | 659,582.59 | 14,536.53       | 1,517.02        | 45,641.84            | 400.00       | 2,739 63                 |   | 1,841,206.38  | 1,954,823.88            | - 113,617.50                |          |
| Crete                   | 16,246.23    | · · · · · · · · · · · · · · · · · · · |             |            |                      |            | •••             | 15,056.22       |                      |              | 11.592.60                |   | 31,302.45     | 16,070.69               |                             | 94.77    |
| Damascus                | 287,581.67   | 7,011.64                              | 42,008.06   | 68,633.40  | 5,660.39             |            | •••             | 16,679.24       | 3,989.77             |              | 44.25                    |   | 443,156.77    | 384,371.7 <b>3</b>      |                             | 15.29    |
| Erzeroum                | •••          |                                       |             |            | •••                  |            | •••             |                 | •••                  | •••          |                          |   | 44.25         | 58,774·96<br>299,480·73 | - 58,730.71                 | 99.92    |
| Konia                   | •••          |                                       |             | •••        |                      |            | •••             | 104.61          |                      | •••          | 7.483.07                 |   | 9,304.15      |                         | - 299,480.73                |          |
| Mossul                  | 1,218.71     | 2.50                                  | 57.70       | 308.70     | 34:38                | •••        | •••             | 194.61          | 4.48                 | •••          | 913.37                   |   | 354,696.93    | 458,218·84              | + 9,304·15<br>- 103,521·91  | 22:59    |
| Palestine               | 193,458.13   | 4,893.48                              | 89,647.09   | 63,041.27  | 2,367.75             |            | •••             | 72.24           | 303.60               | •••          |                          | •••                                     | '             | 29,881.52               |                             | 100.00   |
| Seerdt                  | •••          |                                       | •••         |            | •••                  | •          | •••             |                 | •••                  | •••          | 164·95                   |   | 164·95        | 139,232.73              | - 29,881.52                 |          |
| Sivas                   |              |                                       |             |            | 4.015.60             |            | 100.00          | 040.54          | 2 770.05             | 6,153.93     | 14,701.58                | •••                                     | 869,795.43    | 838,926:30              | - 139,067·78<br>+ 30,869·13 | 1        |
| Smyrna                  | 448,696:30   | 28,135.75                             | 309,731.82  | 53,747.91  | 4,017.69             |            | 183·26<br>40·62 | 648·54<br>81·97 | 3,778.65<br>2,624.30 | 502.42       | 8,899.64                 | •••                                     | 303,584.04    | 277,952.39              |                             | 1        |
| Trebizond               | 271,979.67   | 350.10                                | 5,661.34    | 12,786.77  | 657.21               | •••        | 40.62           | 81 97           | ,                    |              | 3.47                     | •••                                     | 3.47          | 63.54                   |                             | 94.54    |
| Yemen                   |              | •••                                   | •••         |            |                      | •••        | •••             |                 | •••                  |              |                          | • | 197,634.41    | 197,899.13              |                             |          |
| Sale of Salt, Turkey    | 197,634.41   |                                       | •••         | •••        | ••••                 | •••        | •••             |                 | •••                  |              | •••                      |   | '             | 1 ' 1                   |                             |          |
| Sale of Salt for export | •••          |                                       | •••         | •••        | •••                  |            | •••             |                 | •••                  |              | 319.12                   |   | 319.12        | 13.24                   | + 305.88                    |          |
| Tripoli (Africa)        | •••          | •••                                   |             |            | •••                  |            |                 |                 | •••                  |              |                          |   |               |                         | <del></del>                 |          |
| Total                   | 2,619,234.76 | 208,884.79                            | 957,424.38  | 577,020:70 | 32,334.68            | 741,244.25 | 81,605.71       | 37,342.81       | 83,205.39            | 2,050,884.46 | 102,757·11               |   | 7,491,939.04  | 7,241,137.03            | + 250,802.01                | 3.46     |
| Central Administration  |              |                                       |             | ·          | 0.27                 |            |                 | 4,103.92        |                      |              |                          | 5,126,402.76                            | 5,130,506.95  | 4,541,815.65            | + 588,691.30                | 12.96    |
|                         |              | <u> </u>                              | <u> </u>    |            |                      |            | <u> </u>        |                 |                      | <u> </u>     |                          |   | 10.000.445-00 | 11 500 050,00           | . 000 400-01                | -        |
|                         |              |                                       |             |            | 32,334.95            |            |                 | 41,446.73       |                      |              |                          |   | 12,622,445 99 | 11,782,952.68           | + 839,493.31                | 7.12     |

# ANNEX No. 3.

# SITUATION OF VARIOUS ACCOUNTS WITH THE TOBACCO RÉGIR.

# NEW CONCESSION

| of                          |  |                                 |
|-----------------------------|--|---------------------------------|
| Retrocession of<br>Reftieh. | £T.<br>46,652.17<br>50,000<br>48,194.4<br>50,000<br>50,000<br>50,000   | 343,846.61                      |
| Share in<br>Reftieh.        | £T   | 126,000                         |
| Total,                      | £T.<br>763,47810<br>782,857-03<br>808,198-30<br>1,080,094-92<br>1,340,094-92<br>2,430,585-75-50<br>2,764,186-82 36     | 4,142,779.46.62 9,969,445.84.86 |
| Share in Profits.           | £T.<br>(*) 140,000<br>(*) 100,000<br>(*) 150,000<br>(*) 390,000<br>(*) 550,000<br>(*) 1,762,151-49-50<br>950,624-97-12 |                                 |
| Annual Royalty.             | £T.<br>623,478-10<br>682,877-03<br>668,198-30<br>690,094-92<br>690,094-92<br>(*) 668,381-26<br>(*)1,813,561-85-24      | 5,826,666.38.24                 |
| Years.                      | 1914–16 (*)<br>1916–16<br>1916–17 (*)<br>1917–18<br>1918–19<br>1919–20   |                                 |

(4) From 15th April, 1914, that is to say, for a period of eleven months, less one day.
(2) Financial year shortened by thirteen days, owing to adoption of Gregorian Calendar.
(3) After deduction of amount due to the Company, owing to the non-working of the Concession in the Islands of Mitylene, Chios and Lemnos during the 4th, 5th and 6th years, calculated at £T7,23789 per annum.

(4) On the basis of the transactional agreement concluded on February 13th, 1922, after deduction of £17,237.69, the amount due to the Company owing to the non-working of the Concession in the Islands of Mitylene, Chios and Lemnos during the 7th year.

(6) Balance of the stare in profits accruing to the Administration for the first six years, plus a sum of £T500,000 paid by the Government in virtue of the agreement dated 24th February, 1921.
 (7) Paid by the Government for the years 1914/15, 1916/17 and 1917/18.
 (8) Paid by the Government.

ANNEX No. 4.

COMPARATIVE STATEMENT OF GENERAL EXPENDITURE OF 1920/1921 (1336)

(1335)

|   |  |   | 1920/1921 (1336)  | ) <sub>f</sub>   |  |  |  | 1919/1920 (1335   | ·<br>).  |  |                                   | In  | CREASE OR DECRE   | ASE.   |   |
|---|--|---|---|--|--|--|--|---|--|--|-----------------------------------|---|---|--|---|
|   |  | CENTRAL SERVICE   | Provincial Garage   |  |  |  | CENTRAL SERVICE.   |   | Provincial   | General  |                                   |   |   |  |   |
|   | Service of the<br>Council.                                   | General<br>Management.  | Total.  | Service.   | Total.   | Service of the<br>Council.                                 | General<br>Management.   | Total.  | Provincial<br>Service.   | General<br>Total.  | Service of the<br>Council.        | General<br>Management.  | Total.  | Service.   | Total.  |
| Permanent Salaries Temporary Salaries Retired Pay Contribution to Provident Fund Commissioned Agencies Regulation Allowances Extraordinary Allowances "Surveillance mixte"  Total   | £T.  83,764·25 5,743·44 7,053 36,848·21 13,219·74 117,503·61 | \$T.  94,062·01 3,812·52 353·69 3,953·97 393,701·62   | £T. 177,826·26 9,555·96 7,406·69 36,848·21 17,173·71 511,205·23   | £T.  208,731·31 14,746·11 13,323·61 2,820·66 4,152·96 603,432·24 20,363·22                                 | £T.  386,557·57 24,302·07 20,730·30 36,848·21 2,820·66 21,326·67 1,114,637·47 20,363·22  | £T.  39,201·10 8,893·96 6,334 29,523·75 6,220·30 61,349·82 | £T 68,636·57 3,661·79 3,344·18 243,302·40  | £T.  107,837.67 12,555.75 6,334 29,523.75 9,564.48 304,652.22   | £T.  187,875·16 13,509·70 8,254·49 2,274·13 1,539·95 531,249·24 14,669·73                                  | £T. 295,712·83 26,065·45 14,588·49 29,523·75 2,274·13 11,104·43 835,901·46 14,669·73   | + 6,999·44<br>+ 56,153·79         | + 150·73<br>+ 353·69<br><br>+ 609·79<br>+ 150,399·22  | - 2,999·79<br>+ 1,072·69<br>+ 7,324·46<br><br>+ 7,609·23<br>+ 206,553·01  | £T.<br>+ 20,856·15<br>+ 1,236·41<br>+ 5,069·12<br><br>+ 546·53<br>+ 2,613·01<br>+ 72,183<br>+ 5,693·49 | $\begin{array}{l} - & 1,763\cdot38 \\ + & 6,141\cdot81 \\ + & 7,324\cdot46 \\ + & 546\cdot53 \\ + & 10,222\cdot24 \\ + & 278,736\cdot01 \\ + & 5,693\cdot49 \\ - & - \end{array}$ |
| Rents  Buildings { Repairs and Upkeep   Labour   Water   Repairs and Upkeep   Labour   Repairs and Upkeep   Labour   Labour   Lighting   Coal, wood, &c   Lighting   Labour   Stationery   Transport of Material and printed Matter   Postage and Telegrams | 264,132·25  655·55 2,375·62 969·18                           | 50<br>3,497·28<br>9,276·30<br>1,419·64<br>694·58<br>189·08<br>404·62<br>3,454·54<br>15,015·67<br>3,516·82<br>7,165·34<br>1,881·20<br>143·07<br>1,893·18 | 50<br>3,497·28<br>9,276·30<br>1,419·64<br>694·58<br>189·08<br>1,060·17<br>3,454·54<br>15,015·67<br>3,516·82<br>7,165·34<br>4,256·82<br>143·07<br>2,862·36 | 21,437.05<br>463.14<br><br>85.81<br>883.59<br>536.44<br><br>4,733.54<br><br>3,450.67<br>4,416.31<br>402.20 | 21,487·05<br>3,960·42<br>9,276·30<br>1,419·64<br>780·39<br>1,072·67<br>1,596·61<br>3,454·54<br>19,749·21<br>3,516·82<br>7,165·34<br>7,707·49<br>4,559·38<br>3,264·56 | <br><br><br><br><br>280·71<br><br><br><br><br>197·90       | - 40<br>2,258·18<br>8,804·87<br>701·88<br>480·36<br>139·96<br>475·65<br>2,337·09<br>7,980·94<br>3,053·80<br>3,962·90<br>1,421·90<br>236·09<br>1,524·67 | - 40<br>2,258·18<br>8,804·87<br>701·88<br>480·36<br>139·96<br>756·36<br>2,337·09<br>7,980·94<br>3,053·80<br>3,962·90<br>1,224 | 19,033·02<br>433·98<br><br>37·49<br>1,330·43<br>439·36<br><br>6,948·21<br><br>3,845·90<br>3,717·84         | 18,993·02<br>2,692·16<br>8,804·87<br>701·88<br>517·85<br>1,470·39<br>1,195·72<br>2,337·09<br>14,929·15<br>3,053·80<br>3,962·90<br>5,069·90 | + 112,609·32  + 374·84 + 2,573·52 | + 90<br>+ 1,239·10<br>+ 471·43<br>+ 717·76<br>+ 214·22<br>+ 49·12<br>- 71·03<br>+ 1,117·45<br>+ 7,034·73<br>+ 463·02<br>+ 3,202·44<br>+ 459·30<br>- 93·02 | + 90<br>+ 1.239·10<br>+ 471·43<br>+ 717·76<br>+ 214·22<br>+ 49·12<br>+ 3031<br>+ 1,117·45<br>+ 7,034·73<br>+ 463·02<br>+ 3,032·82<br>- 93·02                | + 108,197·71   | - 397·72<br>+ 400·89<br>+ 1,117·45<br>+ 4,820·06<br>+ 463·02<br>+ 3,202·44<br>+ 2,637·59<br>+ 605·45  |
| Printing   Machines   Material   Repairs and Upkeep   Labour   Travelling Expenses   Legal Expenses   Advertising Expenses   Sanitary Expenses   Uniforms   Sundries   Total  | <br>834·60<br><br>1,927·81<br><br>22,121·95                  | 34<br>5,804·18<br>8·70<br>25,868·48<br>162·57<br>38,420·57<br><br>2,889·64<br>2,520·05<br>16,094·77<br>140,404·28                                       | 34<br>5,804·18<br>8·70<br>25,868·48<br>997·17<br>38,420·57<br>1,927·81<br>2,889·64<br>2,520·05<br>38,216·72<br>169,288·99                                 | 539·73<br>16<br>3,167·63<br>25,299·65<br>1,858·37<br><br>1,287·50<br>42,797·21<br>111,374·84               | 34<br>6,343·91<br>24·70<br>29,036·11<br>26,296·82<br>40,278·94<br>1,927·81<br>2,889·64<br>3,807·55<br>81,013·93  | 335·83<br><br>1,695·59<br><br>15,329·55                    | - 5,171·76<br>159·78<br>23,043·80<br>618·36<br>22,082·65<br><br>1,717·32<br>5,351·40<br>39,228·40<br>120,368·24  | 1,835·55<br><br>- 5,171·76<br>159·78<br>23,043·80<br>954·19<br>22,082·65<br>1,695·59<br>1,717·32<br>5,351·40<br>54,557·95     | 119·67<br><br>3.408·41<br>125·90<br>1,500·73<br>46,674·87<br>2,244·33<br><br>6·93<br>1,480·82<br>50,919·78 | 1,955·22<br>- 1,763·35<br>285·68<br>24,544·53<br>47,629·06<br>24,326·98<br>1,695·59<br>1,724·25<br>6,832·22<br>105,477·73<br>280,390·57    | + 6,792:40                        | + 368·51<br>+ 34<br>+ 10,975.94<br>- 151·08<br>+ 2,824·68<br>- 455·79<br>+ 16,337·92<br><br>+ 1,172·32<br>- 2,831·35<br>- 23,133·63<br>+ 20,036·04        | + 1,026·81<br>+ 34<br>+ 10,975·94<br>- 151·08<br>+ 2,824·68<br>+ 42·98<br>+ 16,337·92<br>+ 232·22<br>+ 1,172·32<br>- 2,831·35<br>- 16,341·23<br>- 31,166·09 | - 2,868·68<br>- 109·90<br>+ 1,666·90<br>- 21,375·22<br>- 385·96<br><br>- 6·93                          | + 34<br>+ 8,107·26<br>- 260·98<br>+ 4,491·58<br>- 21,332·24<br>+ 15,951·96<br>+ 232·22<br>+ 1,165·39  |
| Buildings (construction)  Salt { Extraction Expenses }  Transport  Bounties on Wines Exported  Commission on Stamps Sales  Printing of Stamps   | <br><br>   | 58,358-39   | 53,358·39   | 233,091·61<br>671,568·84<br>18,910·30<br>28,961·79<br>32,149·09  | 286,450<br>671,568·84<br>18,910·30<br>28,961·79<br>32,149·09   |  | 29,545·31<br><br>  | 29,545:81   | 9·28<br>312,024·70<br>742,076·50<br>17,872·04<br>29,366·53<br>29,251·41                                    | - 9·28 341,570·01 742,076·50 17,872·04 29,366·53 29,251·41   | <br><br><br>                      | + 23,813.08   | <br>+ 23,813·08<br><br><br>   | + 9.28<br>- 78,933.09<br>- 70,507.66<br>+ 1,038.26<br>- 404.74<br>+ 2,897.68                           | - 404·74<br>+ 2,897·68  |
| Total  Grand Total  | 293,016.96   | 53,358·39 689,646·48  | <u> </u>  | 984,681·63<br>,963,626·58  | 1,038,040·02<br>2,946,290·02   | 169,277:59   | 29,545·31<br>  | 29,545·31   | 1,130,581.90   |  | + 123,739·37                      | + 23,813.08 + 220,787.99  | + 23,813.08   | - 145,900·27<br>- 68,595·39  | + 275,931·97  |

Dr.

ANNEX No. 5.

# DEFINITIVE STATEMENT OF REVENUE AND EXPENDITURE FOR 1920-21 (1936).

Cr.£T. £T. £T. £T. GROSS RECEIPTS. Salt ..... 2.619.234.76 Stamps..... 609,355.65 General Expenses ..... 2,666,190.02 Spirits ..... 1,166,309.17 Unsettled Accounts in the Provinces ....... 111.753.31 Fisheries ..... 741,244.25 Retrocession of the Reftieh to the Tobacco Silk ..... 81,605.71 50,000.00 Company..... Fines ..... 83,205.39 970,442.90 Balance of the Tobacco Tithe ..... Sundries (not in the Budget) ..... 41,446.73 127,033.35 Loss on Treasury Operations..... 5,342,401.66 509,651.16 Payment in Abeyance (1) ..... { Régie Royalty, Share in the Profits, etc..... Tobacco Monopoly 4,435,070.74 2,782,186.82 ..... in compensation of Bulgarian Tribute ..... 100.000.00 Contributions from in compensation of Cyprus **Tobacco Tithes** Surplus.... 130.000.00 SERVICE OF THE DEBT. Balance ..... 970.442.90 1.200.442.90 Annuity of the Unified Converted Debt 1,887,375.35 Contributions from Tithes and other Revenues 270.000.00 Turkish Lottery Bonds ... in compensation of the Eastern Roumelian 2,157,375.35 Tribute ..... 114,019.74 Draft on Custom House on account of Tumbeki Tax ..... 50,000.00 Customs' Surtax.... 2,050,884.46 . . . . . . . . . . . . Interest on Tripoli Indemnity ... YEARLY SETTLEMENT. Affectation to the "Special Reserve Account" with the Treasury to cover loss on exchange on Coupons in arrear to be paid in Foreign 6,029,999.90 11,539,935.58 Countries..... ........... Amounts recovered on Outstanding Accounts 102,757.11 ..... 11,642,692.69 Profit on Treasury Operations ..... 979,753.30 12,622,445.99 12,622,445.99 Total ..... Total ..... . . . . . . . . . . . . . .....

<sup>(1)</sup> Encashed by Palestine Government and not remitted to Council.

ANNEX No. 6.

GENERAL TABLE OF THE SURPLUSES OF THE CEDED REVENUES AND THEIR ALLOTMENT SINCE THE UNIFICATION OF THE DEBT.

|                          | Т             | OTAL OF SURPLU  | 8.            | 75% Re        | TURNING TO GOV  | ERNMENT.      | 25% Керт                  | BY OTTOMAN PU                      | BLIC DEBT.   |
|--------------------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------------------|------------------------------------|--------------|
| FINANCIAL YEAR.          | Old Revenues. | Customs Surtax. | TOTAL.        | Old Revenues  | Customs Surtax. | TOTAL.        | 40% for Lottery<br>Bonds. | 60% for Unified<br>Converted Debt. | TOTAL        |
| 1319 (1903-4) (6 months) | £T.<br>517:83 | £T.             | £T.<br>517·83 | £T.<br>388·37 | £T.             | £T.<br>388·37 | £T.<br>51·78              | £T.                                | £T<br>129·46 |
| 1320 (1904-5)            | 336,101·17    | _               | 336,101.17    | 252,075.88    | _               | 252,075.88    | 33,610·12                 | 50,415·17                          | 84,025:29    |
| 1321 (1905-6)            | 500,181.60    | _               | 500,181.60    | 375,136.20    | _               | 375,136.20    | 50,018·16                 | 75,027.24                          | 125,045.40   |
| 1322 (1906-7)            | 495,834.58    | _               | 495,834.58    | 371,875.93    |                 | 371,875.93    | 49,583.46                 | 74,375·19                          | 123,958.65   |
| 1323 (1907-8)            | 606,101.86    | 544,987.86      | 1,151,089.72  | 454,576.40    | 408,740.89      | 863,317:29    | 115,108.97                | 172,663:46                         | 287,772.43   |
| 1324 (1908-9)            | 482,648.29    | 918,437:51      | 1,401,085.80  | 361,986.22    | 688,828.13      | 1,050,814.35  | 140,108.58                | 210,162.87                         | 350,271.45   |
| 1325 (1909-10)           | 705,930.69    | 1,042,992.71    | 1,748,923.40  | 529,448.02    | 782,244.53      | 1,311,692.55  | 174,892.34                | 262,338·51                         | 437,230.85   |
| 1326 (1910-11)           | 805,728:03    | 1,103,208:59    | 1,908,936.62  | 604,296.03    | 827,406.44      | 1,431,702.47  | 190,893.66                | 286,340.49                         | 477,284.15   |
| 1827 (1911-12)           | 818,038·11    | 1,151,185·10    | 1,969,223.21  | 613,528.58    | 863,388.83      | 1,476,91,7:41 | 196,922:32                | 295,383.48                         | 492,305.80   |
| 1328 (1912-13)           | 573,042.67    | 1,012,916:37    | 1,585,959:04  | 429,782.00    | 759,687.28      | 1,189,469.28  | 158,595.90                | 237,893.86                         | 396,489.76   |
| 1329 (1913-14)           | 1,121,130·40  | 1,107,408.41    | 2,228,538.81  | 840,847.80    | 830,556.31      | 1,671,404.11  | 222,853.88                | 334,280.82                         | 557,134.70   |
| 1330 (1914-15)           | 115,999.53    | 614,713·11      | 730,712.64    | 86,999.64     | 461,034.84      | 548,034.48    | 73,071.26                 | 109,606.90                         | 182,678·16   |
| 1331 (1915-16)           |               | _               | <del></del>   |               |                 |               |                           |                                    | _            |
| 1332 (1916-17)           | 294,968.81    | 303,101.98      | 598,070.79    | 221,226.62    | 227,326·48      | 448,553·10    | 59,807:07                 | 89,710.62                          | 149,517.69   |
| 1333 (1917-18)           |               | -               | _             | _             |                 |               |                           | _                                  |              |
| 1334 (1918-19)           | _             | _               | _             | _             | _               |               | _                         | _                                  | <b>–</b> .   |
| 1335 (1919-20)           | _             |                 | _             | _             | _               |               | _                         | _                                  | _            |
| 1336                     |               | _               | <u></u> .     | <u> </u>      |                 | _             |                           |                                    |              |
| 000                      | @.w. 23·57    | 7,798,951.64    | 14,655,175.21 | 5,142,167.69  | 5,849,213.73    | 10,991,381·42 | 1,465,517.50              | 2,198,276.29                       | 3,663,793.79 |

PAYMENTS ON ACCOUNT OF THE OTTOMAN PUBLIC DEBT EFFECTED DURING THE 39TH FINANCIAL YEAR (1920/21-1336). ANNEX INU. 7.

|   |                   | l                         | OLD                        | RÉGIME.      |                                       | Z   | NEW RÉGIME     |                            |  |
|---|-------------------|---------------------------|----------------------------|--------------|---------------------------------------|---|----------------|----------------------------|--|
| DATES DUE.  |                   |                           | Tota Trans                 |              |                                       | Tinished Con  | Lote Tunce     |                            |  |
|   |                   | Series A.                 | 58% 1 urcs                 | 4% Priority. | TOTAL.                                | verted Debt.  | 100% and 60%   | TOTAL.                     |  |
|   |                   | £T.                       | £T.                        | £T.          | £T.                                   | £T.   | ET.            | £T.                        |  |
| Former payments   |                   | :                         | 30.62                      | :            | 30.62                                 | 14.96   | 45,158.52      | 45,173.48                  |  |
| •   | pt. 1914          | :                         | :                          | :            | :                                     | 92.629  | :              | 659.56                     |  |
| oord Financial I ear   Ma   | March, 1915       | :                         | :                          | :            | :                                     | 24,394.92   | 158.40         | 24,553.32                  |  |
| _   | Sept. 1915        | :                         | :                          | ÷            | :                                     | 9,011.64  | 221.76         | 9,233.40                   |  |
| 34th Unancial Year   Ma   | _                 | :                         | :                          | :            | :                                     | 9,028.36  | 9,308.64       | 18,337.00                  |  |
| _   | _                 | :                         | ÷                          | :            | :                                     | 9,848.08  | 403.48         | 10,251.56                  |  |
| open financial rear { Ma  | March, 1917       | :                         | :                          | :            | :                                     | 7,199.28  | 392.48         | 7,591.76                   |  |
| _   | pt. 1917          | :                         | :                          | :            | :                                     | 7,873.36  | 848.76         | 8,722.12                   |  |
| ooth Financial rear \ Ma  | March, 1918       | :                         | :                          | :            | :                                     | 6,588.12  | <b>7</b> 6.699 | 7,257.36                   |  |
| _   | _                 | •                         | :                          | :            | :                                     | 7,681.52  | 9.959.84       | 17,641.36                  |  |
| 37th Financial Year \ Ma  | Γ,                | :                         | :                          | :            | ;                                     | 9,970.40  | 19,722.56      | 29,692.96                  |  |
| ت,  |                   | ;                         | :                          | :            | :                                     | 11,672.32   | 11,377.52      | 23,049.84                  |  |
| 38th Financial Year \ Ma  | ٠,٠               | :                         | :                          | :            | :                                     | 17,468-44   | 16,701.96      | 34,170.40                  |  |
|   | Sept. 1920        | :                         | :                          | :            | :                                     | (1)130,452.08   | 39,779.52      | 170,231.60                 |  |
| 39th Financial rear { Ma  | ٠,                | :                         | :                          | :            | :                                     | :   | 40,203.68      | 40,203.68                  |  |
| E   | Torat             |                           | 30.62                      |              | 30.62                                 | 251.863.04  | 194.906.36     | 446.769.40                 |  |
| Interest on Redeemed Ronds which matured in March 1921  | med Bonds         | which ma                  | tured in M                 | arch 1921    |                                       | (2)116.988.96   |                | 116.933.96                 |  |
| TORON IN ACCOUNT  | 200               |                           |                            |              |                                       | 2226277   |                | on position .              |  |
|   |                   |                           | GRA                        | GRAND TOTAL  | ::                                    | 368,797.00  | 194,906.36     | 563,703.36                 |  |
| (1 Interest on Bonds redeemed, of which:—For ordinary amortisation For extraordinary amortisation f | eemed, of whation | nich :—<br>ET65,<br>£T51, | £T65,687·60<br>£T51,245·04 |              | (2) That is:—<br>Ordinary<br>Extraore | nat is:— Ordinary amortisation Extraordinary amortisation | ; :            | £T65,687·60<br>£T51,246·36 |  |
|   |                   | £T116,932·64              | 932-64                     |              |                                       |   | •              | £T116,933.96               |  |
|   |                   |                           |                            |              |                                       |   |                |                            |  |

ANNEX No. 8.

PREMIUMS AND REDEMPTIONS DURING THE THIRTY-NINTH PERIOD (1920/21) ON THE STOCK OF LOTTERY-BONDS REPURCHASED, AND GENERAL SITUATION OF THIS ACCOUNT AT THE END OF THE YEAR.

|        | DRAWINGS.                              | No. of          |           |           |           |           |         | 1       | ]       | PREMIUM | IS AND  | REDEMI  | PTIONS | •       |                  |         |         |         |            |                           |               | VA.       | LUE.       |                    |
|--------|--|-----------------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|--------|---------|------------------|---------|---------|---------|------------|---------------------------|---------------|-----------|------------|--------------------|
|        |  | Bonds<br>Drawn. | 600,000   | 400,000   | 300,000   | 200,000   | 60,000  | 30,000  | 25,000  | 20,000  | 10,000  | 6,000   | 4,000  | 3,000   | 2,500            | 2,000   | 1,250   | 1,000   | 400        | Total nom-<br>inal value. | 100% &<br>60% | 58%       | Total.     | Total.             |
|        |  |                 | Frs.      | Frs.      | Frs.      | Frs.      | Frs.    | Frs.    | Frs.    | Frs.    | Frs.    | Frs.    | Frs.   | Frs.    | Frs.             | Frs.    | Frs.    | Frs.    | Frs.       | Frs.                      | Frs.          | Frs.      | Frs.       | £T.                |
| 301st. | April, 1920                            | 531             | •••       |           |           | •••       |         |         | •••     | •••     | •••     | •••     | •••    | •••     | 2,500            | 4,000   |         | 5,000   | 209,200    | 220,700                   | 137,020       | •••       | 137,020    | 6,028.88           |
| 302nd. | June, 1920                             | 534             | •••       |           | •••       |           | •••     |         |         | •••     |         | •••     | 8,000  | •••     |                  |         | 2,500   | 7,000   | 209,200    | 226,700                   | 143,020       | •••       | 143,020    | 6,292.88           |
| 303rd. | August, 1920 .                         | 550             | •••       | 400,000   |           | •••       |         | 30,000  |         | •••     |         | •••     |        |         | 12,500           | 4,000   |         | 6,000   | 214,000    | 666,500                   | 580,900       |           | 580,900    | 25,559.60          |
| 304th. | October, 1920 .                        | 528             |           |           |           | 200,000   |         |         |         |         |         |         | •••    |         |                  | •••     | 2,500   | 12,000  | 205,200    | 419,700                   | 337,620       | <b></b>   | 337,620    | 14,855-28          |
| 305th. | December, 1920 .                       | 507             |           | 400,000   |           |           |         |         |         | •••     |         | •••     |        |         | 2,500            | 2,000   | •••     | 5,000   | 199 600    | 609,100                   | 529,260       |           | 529,260    | 23,287.44          |
| 306th. | February, 1921 .                       | 533             | •••       |           |           |           |         |         |         | •••     |         | •••     |        | •       |                  |         | 5,000   | 12,000  | 206,800    | 223,800                   | 141,080       |           | 141,080    | 6,207-52           |
|        |  |                 |           |           |           |           |         |         | •       |         |         |         |        |         |                  |         |         |         |            |                           |               |           |            | ;                  |
|        |  |                 |           |           |           |           |         |         |         |         |         |         |        |         |                  |         |         |         |            |                           |               |           |            |                    |
|        | otal of the 39th<br>Financial Year .   | 3,183           |           | 800,000   |           | 200,000   |         | 30,000  |         | •••     |         |         | 8,000  |         | 17,500           | 10,000  | 10,006  | 47,000  | 1,244,000  | 2,366,500                 | 1,868,900     |           | 1,868,900  | 8 <b>2,</b> 231·60 |
|        | Former Years .                         | 33,028          | 1,800,000 | 2,400,000 | 1,500,000 | 1,200,000 | 120,000 | 330,000 | 125,000 | 240,000 | 240,000 | 198,000 | 44,000 | 135,000 | 125,000          | 228,000 | 172,500 | 647,000 | 12,766,400 | 22,270,900                | 14,860,660    | 1,573,272 | 16,433,932 | 722,908-93         |
|        | nd Total end of<br>9th Financial year. | 36,211          | 1,800,000 | 3,200,000 | 1,500,000 | 1,400,000 | 120,000 | 360,000 | 125,000 | 240,000 | 240,000 | 198,000 | 52,000 | 135,000 | 1 <b>42,</b> 500 | 238,000 | 182,500 | 694,000 | 14,010,400 | 24,637,400                | 16,729,560    | 1,573,272 | 18,302,832 | 805,140·53         |

## Annex No. 9.

# Table showing the general situation of the sinking fund. 1920/21 (1336).

### UNIFIED CONVERTED DEBT.

|   | NO                                  | NOMINAL CAPITAL.                              |                 |                       |                          |
|---|-------------------------------------|---|-----------------|-----------------------|--------------------------|
|   | Ordinary<br>Sinking<br>Fund.<br>£T. | Extra-<br>ordinary<br>Sinking<br>Fund.<br>£T. | Total.<br>£T.   | Cost.<br>£T.          | Average<br>Price.<br>£T. |
| Thirty-ninth Financial Year<br>Preceding ,, Years | 3,284,380                           | 88<br><b>2,562,2</b> 30                       | 88<br>5,846,610 | 67·32<br>5,258,202·84 | 76·50<br>89·9359         |
| Total   | 3,284,380                           | 2,562,318                                     | 5,846,698       | 5,258,270·16          | 89-9357                  |
| Capital in Circulation on 28th                    | 36,429,074                          |   |                 |                       |                          |
| Capital of the Unified Convert                    | 42,275,772                          |   |                 |                       |                          |

### TURKISH LOTTERY BONDS.

|              |   | No. of<br>Lottery Bonds. | Nominal Capital.    | Cost.<br>£T.         |
|--------------|---|--------------------------|---------------------|----------------------|
| Year.        | By Drawings                                     | 12, <b>6</b> 00<br>51    | 99,991·58<br>404·73 | 232,188·00<br>538·56 |
| th Y         | Total   | 12,651                   | 100,396-31          | 232,726·56           |
| Thirty-ninth | Repurchased Bonds, with Premium or amortisation | 3,183                    | <b>2</b> 5,259·78   | 21,454.54            |
| E (          | Leaving for the Thirty-ninth Period             | 9,468                    | 75,136·53           | 211,272.02           |
| Sink         | ing Fund of Preceding Years                     |                          | 5,368,982-99        | 9,445,494.87         |
|              | To  | otal                     | 5,444,119.52        | 9,656,766.89         |
| Capi         | tal in circulation on 28th February, 1921 .     | 1,283,850                | 10,188,428-18       |                      |
| Capit        | al inscribed in Ledger                          |                          | 15,632,547.70       |                      |

ANNEX No. 10.
SITUATION OF THE "RESERVE FUND" ON FEBRUARY 28TH, 1921.

|  | Interest.                | Nominal<br>Capital. | Cost.                  | Average<br>Price. | Interest<br>encashed<br>in 1920/21.<br>(1336).(1) |
|--|--------------------------|---------------------|------------------------|-------------------|---|
| 1. Securities.   |                          | £T.                 | £T.                    | £T.               | £T  |
| Turkish Customs  | 4                        | i                   |                        | 98.78             | ~1  |
| F  | 4<br>3 <del>]</del>      | 45,342              | 44,789.20              | 96.53             | 670.70  |
| 1901 (Defence  | <b>∂</b> 2               | 30,536              | 29,736.66              | 90.99             | 679.79  |
| ,, ,, 1891 (Defence  |                          | E 4 050             | 55 040.00              | 101.70            | 000.50  |
| Loan)  | 4                        | 54,670              | 55,646.93              | 101.79            | 832.59  |
| "Fisheries" Loan, 4%, 1903   | 4                        | 45,912.24           | 41,067.68              | 89.45             |   |
| Bagdad Railway Loan, 2nd Series of 1908  | 4                        | 5,808               | 5,009.40               | 86.25             | 116.16  |
| Constantinople Municipal Loan of 1909  |                          | 69,938              | 69,262.57              | 99.03             | 5,245.35  |
| Osmanieh Loan, 4%, 1890<br>French Rente  | 4                        | 3,102               | 2,756.65               | 88.86             | 256.96  |
|  | 3                        | 421,373.33          | 400,592.03             | 95.07             | 12,641.20   |
| French State Railways  | 4                        | 13,860              | 13,644.57              | 98.45             | 696.33  |
| English Consols  | $2\frac{1}{2}$           | 107,360             | 85,957.55              | 80.06             |   |
| Grand Pacific Railway Debenture Stock<br>German Loan   | 4                        | 28,930              | 24,767.93              | 85.61             | 4 000-10  |
| poroble in 1004  | 3                        | 168,080             | 143,849.59             | 85.58             | 4,868.16  |
| " " payable in 1924  | 5                        | 3,850               | 3,783.16               | 98.26             | 375.32  |
| " " , 1908<br>Prussian Treasury Bonds, 1921  | 4                        | 27,500              | 27,438.89              | 99.78             | 990   |
| Prussian Treasury Bonds, 1921  | 5                        | 41,250              | 41,002.50              | 99.40             | 1,856.25  |
| Hamburg State Bonds repayable in 1955<br>Prussian Treasury Bonds, 1914   | 4                        | 52,250              | 49,324.95              | 94.40             | 1,878.65  |
| I A . Thu Trut's   | 4                        | 35,310              | 33,387·38<br>58,230·11 | 94.55             | 1,271.05  |
| T  | $rac{4}{5rac{1}{2}}$   | 57,592<br>114,678   | 108,541.14             | 94.65             | 3,153.64  |
| 1 70 1 707 11 1  | _                        | 1 '                 | 21,267.02              | 98.79             | 5,155.04  |
| 75 7 101 3   | 4<br>4                   | 21,528              | 24,618.08              | 98.38             |   |
| 0 1 0 .  | 5                        | 25,024<br>683·76    | 607.18                 | 88.80             | 34.19   |
| Maskaisha Oassakaha  | $\frac{3}{4}$            | 11,408              | 11,430.31              | 100.20            | 34 19   |
| Austrian Treasury Bonds, repayable 1922  | 5 <del>1</del>           | 36,800              | 35,446.07              | 96.32             | 1,012   |
| Hammanian Tarm of 1014   | 41                       | 82,225.92           | 74,973.65              | 91.18             | 1,012   |
| Italian Rente  | $3\frac{1}{2}$           | 33,145.20           | 34,996.14              | 105.28            | 1,085.83  |
| 1010   | $3^{\frac{5}{2}}$        | 21,120              | 19,014.15              | 90.03             | 316.80  |
| Società Italiana dei Servizi Marittimi   | 4                        | 53,328              | 52,044.68              | 97.59             | 2,081.73  |
| Russian Loan, 1889   | 4                        | 36,109.15           | 32,707.57              | 90.57             | 2,001.0   |
| Russian Rente, 1893, 5th Issue   | 4                        | 41,602              | 38,089.08              | 91.56             |   |
| " 1905   | $\frac{1}{4\frac{1}{2}}$ | 40,700              | 41,099.49              | 100.98            |   |
| ,, 1909  | $4\frac{1}{2}$           | 33,726              | 33,018.46              | 97.90             |   |
| Swiss Rente, 1910, Series I  | 31                       | 30,800              | 29,969.21              | 97.30             | 2,455.99  |
| Swedish Rente, 1907  | 31                       | 29,854              | 29,921.03              | 100.22            | 1,810.35  |
| Norwegian Loan, 1904—1905  | 31/2                     | 22,528              | 19,724.80              | 87.56             | 1,108.60  |
| Japanese Rente, 1905   | 4                        | 43,890              | 40,022.35              | 91.19             |   |
| Danish Loan  | 4                        | 20,064              | 19,581.81              | 97.60             |   |
| Belgian Loan, 1914, Issue No. 1  | 3                        | 21,956              | 17,771.52              | 80.94             |   |
| City of Copenhagen Loan, 1908  | 4                        | 5,500               | 5,177.21               | 94.13             | _   |
| Pennsylvania Company Mortgage Bonds  | 41                       | 6,600               | 6,980.11               | 105.76            | _   |
| New York Central and Hudson River  | _                        | '                   | '                      |                   |   |
| R. R. Bonds  | 4                        | 25,960              | 24,777.32              | 95.44             | _   |
| German Treasury Bonds, 1916  | 41                       | 10,560              | 10,032.01              | 95                | 712.80  |
| French Rente, 1917   | 4                        | 1,118.70            | 767.94                 | 68.65             | 44.75   |
| War Loan, 1929-1947  | 5                        |                     |                        | <u> </u>          | 772.75  |
| m  |                          |                     |                        |                   |   |
| TOTAL  |                          | 1,983,572.30        | 1,862,826.08           | 93.918            | 46,297.24   |
|  |                          |                     |                        |                   |   |
| 2. Building.   |                          |                     | ·                      | Interest on       |   |
| The state of the s | <b>,</b>                 | -                   |                        | Balance in        | i   |
| Balance of Cost of new building  |                          |                     | 97,688.85              | Cash              | 2,702.32  |
|  |                          |                     |                        | 1                 |   |
| 3. Assets.   |                          |                     |                        | 1                 |   |
| Cash in hand   |                          |                     | 187,186.90             |                   |   |
|  |                          |                     | 101,100 90             |                   |   |
| Grand Total on February 28th, 1921   |                          |                     | 2,147,701.83           | Total of          | <sup>(2)</sup> 48,999·56                          |
|  |                          | 1                   | -, 1 T 1, 1 V 1 00     | Interest          | 40,000.00   |
|  |                          | 1                   |                        |                   |   |
|  |                          |                     | [                      | l                 | 1   |

ANNEX No. 11

# SECURITIES OF THE PORTFOLIO OF THE TRIPOLI TRIBUTE ON THE 28TH OF FEBRUARY, 1921.

|   | Interest | Nominal<br>Capital. | Cost,            | Average<br>Price | Encashed<br>Interest. |
|---|----------|---------------------|------------------|------------------|-----------------------|
| 5% Turkish Loan of 1914                 | %ro      | £T<br>354,354·00    | £T<br>312,800·05 | £T.<br>88:27     | L3                    |
| Loan, Bagdad Railway, Series II         | 4        | 355,476.00          | 269,273-91       | 75.75            | İ                     |
| Turkish Internal Loan, 1994/1918, $5\%$ | દ        | 1,100,000.00        | 1,100,000.00     | 100.00           |                       |
| TOTAL                                   | ÷        | 1,809,830.00        | 1,682,073·96     |                  |                       |

ANNEX No. 12.

TABLE SHOWING THE AMOUNT OF BONDS OF THE SERIES EXCHANGED ON 28TH FEBRUARY, 1921.

| B C B | Amount Outstanding on the of Unified Capital.  1/14 September, Exchange.  Exchange.  Amount of Converted Debt Onified Capital.  Converted Debt Onconverted.  Exchange. | £T. £T. £T. | 4,158,023-237 70 2,910,616-260 4,154,414 3,609-237 | 27,354,470.001 42 11,488,877.400 27,337,156 17,314.001 | <b>44,405,526.275</b> 37½ 16,652,072.353 44,386,980 18,546.275 | 90 180.619     |
|-------|--|-------------|--|--|--|----------------|
|       | Amount Outstanding on the 1/14 September, 1903.  | £T.         |  | 27,354,470·001   |  | 75.918.019-513 |

Annex No. 13.

CONVERSION OF THE 4% PRIORITY LOAN OF 1890. SITUATION ON 28TH FEBRUARY, 1921.

| Capital outstanding on the 1/14 Sept., 1906. | Amount exchanged. | Amount repaid. | Total.    | Capital<br>Outstanding<br>on the<br>28th Feb.,<br>1921. |
|--|-------------------|----------------|-----------|---|
| £T.  | £T.               | £T.            | £T.       | £T.   |
| 6,786,164                                    | 5,684,074         | 1,101,166      | 6,785,240 | 924   |

ANNEX No. 14.
TREASURY OPERATIONS DURING THE YEAR 1920/21 (1336).

| Accounts.   | Debit.           | Credit.               |
|---|------------------|-----------------------|
| Exchange  | £T.<br>31,517·16 | £T.<br>46,701·56      |
| Investment of available Funds .                     | 39,747.53        | 898,098.99            |
| Exchange on payment of Coupens in Foreign Countries | 0.25             |                       |
| Exchange on Turkish Lottery<br>Bonds                | 1,144.77         | 2,712 <sup>.</sup> 63 |
| Commissions and Brokerages .                        | 6,212.39         | 1,109.46              |
| Sales of Currency                                   | 47,821-99        | 31,130.66             |
| Sundry Drawings                                     | 5:60             | _                     |
| Expenditure on Reserve Fund .                       | 580·19           | -                     |
| Carriage  | 3.47             | _                     |
| Total   | 127,033·35       | 979,753.30            |
| Credit Balance                                      | £T852            | 719.95                |

Annex No. 15.

# COMPARATIVE STATEMENT OF THE PROVINCIAL STAFF FOR 1920/21 AND 1919/20.

(NOT INCLUDING THE CORPS OF INSPECTORS.)

|                                   | 1920/21. |                    | 1919/20. |                    |
|-----------------------------------|----------|--------------------|----------|--------------------|
|                                   | Number.  | Monthly<br>Salary. | Number.  | Monthly<br>Salary. |
| Bash-Mudirs and Merkez-<br>Mudirs | 16       | £T.<br>665:00      | 17       | £T.<br>690·00      |
| Mudirs                            | 56       | 706.50             | 65       | 818.50             |
| Chief Book-keepers                | 15       | 258.50             | 17       | 284.79             |
| " Correspondents                  | 8        | 99.50              | 9        | 111.00             |
| Cashiers                          | 63       | 428.00             | 78       | 531:45             |
| Merkez-Memours                    | 17       | 128.50             | 20       | 153.00             |
| Memours & Ambar-Memours           | 269      | 1,491.50           | 372      | 2,089.58           |
| Kiatibs (Clerks)                  | 512      | 2,881.00           | 623      | 3,456·6 <b>2</b>   |
| Coldjis, foot and mounted .       | 849      | 2,652.75           | 1,011    | 2,998-75           |
| Various                           | 186      | 1,053-25           | 231      | 1,223-15           |
| Weighers                          | 9        | 31.00              | 13       | 43.51              |
| Various (Customs Surtax)          | 5        | 98.00              | 5        | 98.00              |
| Total                             | 2,005    | 10,493.50          | 2,461    | 12,498:35          |



